The China Weekly REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

IN THIS ISSUE

Early Resumption of Hostilities in North China Forecasted in Chinese Newspapers

The N. C. D. N., Minister Cadogan and Ourselves

The Russo-Japanese Alliance Against America

More French Help for Japan

Jap Airbombers Threaten Kalgan as Wang Ching-wei and Ariyoshi Discuss Peace in Nanking

Are Japanese "Misunderstood" People?

Reds and Reconstruction in Central China

China's Border Troubles in Sikong, Tibet, Sinkiang and Chinghai

Tokyo War Office Would Control all Manchurian Industries

China's Trade for Japan---India's Trade for Britain?

U. S.-Japanese Naval Expansion Rivalry Disturbs Japanese Mind *(By the Review's Tokyo Correspondent)*

Tin and Opium in the Economy of Yunnan . . . . By Wilbur Burton

Silk Labor Dispute Over Piece-Rate System . . . . By Paul K. Whang

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Contents

Editorial Paragraphs

Are Japanese "Misunderstood" People? 131
The N. C. D. N., Minister Cadogan and Ourselves .. 132
More French Help for Japan 133
The Russo-Japanese Alliance Against America...... 134
Jap Airbombers Threaten Kalgan as Wang Ching-wei and Ariyoshi Discuss Peace in Nanking.......... 135
Early Resumption of Hostilities in North China Forecasted in Chinese Newspapers 137
U. S.-Japanese Naval Expansion Rivalry Disturbs Japanese Mind 146

Special Articles

Tin and Opium in the Economy of Yunnan .... By Wilbur Burton 148
Silk Labor Dispute Over Piece-Rate System .... By Paul K. Whang 152
Reds and Reconstruction in Central China.......... 154
Tokyo War Office Wishes to Control Industry in Manchuria 156
Who's Who in China 163
Men and Events 164
New Books of Interest in the Far East 166

CONTENTS OF PREVIOUS ISSUES OF THE CHINA WEEKLY REVIEW MAY BE FOUND IN THE "INTERNATIONAL INDEX TO PERIODICALS" COPIES OF WHICH ARE ON FILE IN MOST STANDARD LIBRARIES.

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WASHINGTON OFFICE
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Colorado Building, Washington, D. C.

ARE JAPANESE "MISUNDERSTOOD" PEOPLE?

A JAPANESE resident of Tokyo named K. Matsuda, contributed a letter to the correspondence column of the *North-China Daily News* on September 18 which was published under the heading, "Explaining Japan—Tokyo's New Machinery." The letter was concerned with the recent move of the Tokyo Foreign Office to subsidize so-called "International Culture Bureaus" in various countries for which the sum of Yen 1,700,000 has been included in the budget for the first year's experiment. There was something distinctly pathetic about Mr. Matsuda's letter because he dwelt on Japan's present isolated position in world affairs, the responsibility for which he placed on Japan's "incompetent diplomats abroad who had neglected to perform their duty to cement the country they represented with those to which they had been dispatched in real international friendship through personal touch with the people of the latter." He also criticised Japanese diplomats because of the difficulty they experience in speaking foreign languages. Mr. Matsuda then elaborated on what he termed "cultural diplomacy" which he referred to as a preliminary or "vanguard" to political and economic diplomacy.

In order to redeem the defects of the past, Japan is now planning a new adventure in foreign relations, which includes the establishment of so-called "cultural bureaus" in various foreign countries, the cost of which for the first year is to be Yen 1,700,000. He rather let the cat out of the bag when he stated that Japan's new propaganda effort is to be modeled somewhat on recent extravagant expenditures of France, Germany, and Soviet Russia in foreign propaganda. Also, he mentioned similar efforts on the part of the United States and Great Britain, which so far as America is concerned is incorrect for the U. S. Government, outside of war-time, never has had such a propaganda fund.

Mr. Matsuda declared at the beginning of his letter that Japan had learned two lessons as a result of her withdrawal from the League: First, she must fight her own way in the world; and second, in spite of her withdrawal from the League, she must maintain relations with other nations. There was considerable significance in Mr. Matsuda's letter because the sentiments he express apparently are widely held among the educated classes of that country. In other words, Mr. Matsuda holds that there has been nothing wrong in Japan's activities in the past two years, the only trouble being the failure of the rest of the world to "understand" Japan. Hence the situation must be rectified, not by any adjustments in Japanese policy to accord with world opinion or particularly with the opinions of her near neighbors, but by another outburst of Japanese paid propaganda abroad designed to sway world opinion in Japan's favor. Mr. Matsuda's attack on his country's diplomats on the score of "incompetency" was especially significant. For the past two years Japanese ambassadors, ministers and consuls have been returning home with sad stories of adverse public opinion abroad. But instead of heeding these indications of world disapproval, the Japanese diplomats are regarded as "incompetent" and replaced by others thought to be in closer accord with the military clique now in control of the Tokyo Government. And now to further complicate the activities of the professional diplomats, Tokyo would establish separate "cultural" or propaganda bureaus with "slush-funds" for the purpose of winning foreign opinion. That this new effort will fail goes without saying, because Japan's trouble is not in being misunderstood, but in being understood altogether too well.

THE N. C. D. N., MINISTER CADOGAN AND OURSELVES

On Sunday, September 3 *Reuters* service carried a report from London referring to the appointment of Hon. Alexander George Montagu Cadogan as the new British Minister to China in succession to Sir Miles Lampson. This report by *Reuters* was delivered to the three morning newspapers in Shanghai, the *North-China Daily News, The Shanghai Times and The China Press* and on the following day to *The Shanghai Evening Post.* The same report was sent in translated form to the local Chinese newspapers. All of these papers printed the report exactly as it was received from *Reuters* service with the exception of the senior and "official" British organ, the *North China Daily News,* which deleted one paragraph from the report. The paragraph which the *N. C. D. N.* deleted from *Reuters* report referred to the fact that Lady Cadogan, wife of Hon. Alexander George Montagu Cadogan, is a daughter of the 4th Earl of Gosford, who died in 1922, and sister of the present holder of that title, *who is a leading director of the British-American Tobacco Company (China) Ltd.* The fact that the senior British newspaper in Shanghai deleted that particular paragraph from the *Reuter* report attracted our attention as it also did several other persons in Shanghai, including some Chinese officials of our acquaintance. Naturally it was considered of some significance that the new British Minister was closely connected by marriage to a high director in the British-American Tobacco Company and we referred to that important fact in our account of Mr. Cadogan's appointment which appeared in *The Review* on September 9. We also referred to the fact that there was further significance in his appointment due to his intimate connection with League activities, particularly since the beginning of the Manchurian complications. However, we probably would have overlooked the B. A. T. connection, had it not been for the curious action of the *North-China Daily News* in deleting that interesting bit of news which appeared in the *Reuter* report published in all of the other newspapers.

Now the *North-China Daily News* takes us to task on this point in an editorial which appeared in its issue of September 12 under the heading "Disappointing." The editorial started out by stating it was "disappointing to have to spoil a good story," about Mr. Cadogan's relationship by marriage to a director in the British-American Tobacco Company, the alleged reason being that Lady Cadogan's brother, the 5th Earl of Gosford, is no longer a director in the B. A. T. It was claimed in the *N. C. D. N.* editorial that the Earl of Gosford's directorship and all connections with the British-American Tobacco Company ceased more than six years ago, this being given as justification for the paper's unusual action in omitting an interesting and significant portion of a *Reuters* report. The editorial concluded with a sentence suggesting, however, that this minor "setback" probably would not deter *The Review* from printing further "unpleasant things about the British and the senior British organ—next week."

We accept the challenge most enthusiastically and whether it is unpleasant or not we will leave it to our readers to decide, but we suggest that the editorial writer in the *N. C. D. N.* get up from his desk and walk over to his bookcase containing works of reference. There he will find a volume bound in red cloth entitled, "Who's Who, 1933," with a sub-title reading, "An Annual Biographical Dictionary with which is Incorporated Men and Women of the Time." The book is published by A. and C. Black, Ltd., London and also by the Macmillan Company, New York. If the editor of the *N. C. D. N.* will then turn through the pages beginning with the letter "G" he will find along about Page 1164 the name 5th Earl of Gosford and six lines further down in the Biographical sketch the information that the 5th Earl of Gosford is a "Director, British-American Tobacco Company (China) Ltd." There it is in cold type in the 1933 British Who's Who and the information is supposed to be authoritative because these biographies are written and (supposedly) corrected every year by the individuals themselves. The same information appeared in the 1927 (six years ago) Who's Who and has been repeated annually since that time, hence if the editorial writer of the *N. C. D. N.* has private information to the effect that the Earl of Gosford resigned his directorship in the B. A. T. six years ago, he should by all means notify the publishers of the standard British Who's Who and also, while he is doing this, he should notify the Earl himself for obviously a man of his prominence would not wish to knowingly mislead the public by claiming to be a director in the B. A. T. when he had resigned from this position a half dozen years ago. Furthermore, if we are not mistaken, the Earl of Gosford has been in China within the past six years and has been introduced as a director in the B. A. T. We apologize for the space given to this incident, but facts are facts and if the editor of the senior British paper in China, popularly known as the "official" organ of British interests, is thinking of starting an

"Ananias Club" in Shanghai, we would like to have the privilege of nominating the first charter member. We also offer our apologies to the Hon. Alexander George Montagu Cadogan and Lady Cadogan for this extended discussion. Mr. Cadogan has had a long and honorable career in the British Foreign Service which has had nothing whatever to do with the British-American Tobacco Company and its anxieties over the threatened tobacco monopoly in China. Also, while on the subject of veracity, we would like to question the editor of the *N. C. D. N.* regarding the journalistic ethics involved in deleting a portion of a *Reuter* report without making any explanation to its readers. Should an American newspaper do something like that with an *Associated Press* report, he probably would be called before the directors for an explanation. The editor of the *N. C. D N.* would have been on much sounder ground had he published the *Reuter* report as he received it and then followed it with a brief editorial explanation.

MORE FRENCH HELP FOR JAPAN

FURTHER French assistance for Japan's imperialist ventures is shown by the news from Changchun that an understanding has been reached for the investment of French capital in "Manchukuo." One Andre d'Ollivier, who has been investigating opportunities for French investors in the puppet state, has reached an understanding at Changchun, following which he left for Dairen to meet the "higher-ups" in Manchuria—i.e., officials of the South Manchurian Railway,—"to enter into definite conversations regarding the form of French investments, and other questions." It is proposed, says the report, to invest French capital in automobile and electric industries. A month and a half ago, in fact, reports from Tokyo stated that the Association National d'Expansion Economique, which M. d'Olivierr represents, was investing a billion francs (U.S. $53,900,000) in "Manchukuo," in company with influential Japanese promoters. Tokyo pointed out that this meant still closer relations between Japan and France, and probably brought nearer the recognition of "Manchukuo." The Washington weekly review, *Affairs*, notes this "closer relationship with Japan" as being "one of the French answers to American refusal to co-operate at the London Conference."

For the past quarter of a century, however, the Franco-Japanese Entente has been a most important point in Japan's imperial policy. These two allies have since 1907 co-operated loyally in supporting each other in the regions of China "adjacent to the territories where they have the rights of sovereignty, protection, or occupation." The Russo-Japanese Alliance came to an end with the Russian revolution, and the Anglo-Japanese Alliance was dropped in 1922 and was in abeyance for six years, but the close understanding and co-operation between French and Japanese Imperialism has never been interrupted, but on the contrary has extended to world questions far beyond the limitations of the Far East, as shown at League of Nations sessions, "disarmament" discussions, and elsewhere. Neither in China nor elsewhere do the interests of the two Governments, one the greatest military Power on the continent of Europe, the other the greatest Asiatic Power, conflict.

Mr. Burton's illuminating articles upon the development of French domination of Yunnan, while Japan is consolidating her position in China's northeast, show the similarity of aim of the two Imperialist Powers. The seizure by France of Indo-China, and the extension of her control still further into China in the form of a special "sphere" in the neighboring regions (most developed in Yunnan), corresponded to Japan's aggressions in Formosa and Korea. Japan came into the game much later than France, and her Imperialist aims were seriously endangered and hampered by Russia's push southward into China's northeast, but the Japanese militarists, with the strong encouragement and support of the Anglo-Japanese Alliance (and aided further by Theodore Roosevelt's encouragement and the internal upheaval of 1905 in Russia), were able to check the Russian advance. France, allied with Russia against England, barely escaped being drawn into the conflict, which would probably have resulted disastrously for her, and for the Far Eastern empire which she had carved out of southern China and Chinese dependencies.

Japanese alone, indeed, was not an immediate menace to France, but she was clearly a Power to be reckoned with, and French and Japanese Imperialism had very much in common and no real point of conflict in their aggressions in China. So far as the Far East was concerned, the French alliance with Russia was much more of a liability than an asset, and the French never did care much for liabilities. Accordingly, she was quite prepared for an entente with Japan, especially after the Japanese had floated a loan on the French market, and in 1907 the treaty was made which has been of such growing importance since that time. Whether or not France was loyal to Russia in this may well be questioned, as its effect was to isolate Russia in the Far East, and to enable Japan to secure from Russia, immediately after, even more than Russia had granted at Portsmouth. But whether or not she was loyal to Russia, France has so far been loyal to Japan,—and will probably continue to be so long as it is to her interest.

An interesting point about the 1907 Convention is that it does not precisely specify what regions of China it covers. At that time France, having seized Indo-China, was claiming a "sphere" in Yunnan, Kwangsi, and Kwangtung,—as it present. Japan had seized Formosa, Korea, and the Liaotung, and her "adjacent sphere" included Fukien, Manchuria, and even Mongolia (though Russia also claimed this region). But since that time, though the legal limits of the French dominion have not changed, Japanese troops have occupied both South and North Manchuria, as well as Jehol province, a part of Chahar, and such of Hopeh province as lay north of the Wall, and incorporated these areas in their puppet state of "Manchukuo." Whether or not this be legally regarded as a protectorate, the Japanese have certainly established all "rights" which may be supposed to follow from occupation, as specified in the treaty with France, in the area referred to. The "adjacent area" now comprises the provinces of Chahar and Hopei—which Japan has most emphatically made a "special sphere," Shantung (opposite Kwantung), and Fukien. And under the 1907 Treaty France is bound to support this.

French financial assistance to "Manchukuo," just like French assistance to Japan at Geneva in the course of the Japanese occupation, is just a part of the loyal and long-continued co-operation and alliance between the two Imperialist nations. As the situation now stands, the Governments of Japan and France, by the 1907 Treaty, "having a special interest in having order and a pacific state of things guaranteed especially in the regions" of China "adjacent to the territories where they have the rights of sovereignty, protection, or occupation" (meaning, now, French Indo-China, "Manchukuo," and Formosa), "engage to support each other for assuring the peace and security in those regions" (of Yunnan, Kwangsi, and Kwangtung, and Hopei, Chahar, Fukien, and Shantung—opposite Kwantung as Fukien is opposite Formosa), "with a view to maintaining the respective situation and the territorial rights of the two Contracting Parties on the Continent of Asia." All of these "territorial rights," from the very beginning and without an exception, were, established at the expense of China.

THE RUSSO-JAPANESE ALLIANCE AGAINST AMERICA

IN Ernest Batson Price's recent book on the Russo-Japanese treaties of 1907 to 1916 he devotes an interesting chapter to the secret military alliance concluded between Czarist Russia and Imperial Japan, in the last year of the old Russian regime, against the United States. This treaty, like others, was made public by the Soviet Government after they seized power in Russia, and, like others, was repudiated by them. But the fact of their publishing it is important. An actual photostat of the original appears in Price's book above referred to.

Certain persons, wishing to be tactful even towards an enemy deliberately preparing for war, have pointed out that the secret alliance of 1916 does not specifically mention the United States, and perhaps Germany or some other Power was intended. But no such argument is tenable. It will be recalled that it was in 1915 that Japan presented her notorious "Twenty-One Demands" to China, aiming clearly to make the country a Japanese protectorate. Peking divulged these secret demands to America, the one consistent supporter of Yuan Shih-kai, and a friend to whom China had repeatedly turned in need. It was the American attitude which obliged Japan to withdraw the demands most seriously affecting Chinese sovereignty. No Western Power was trusted by the Chinese as was the United States, and from this trust developed a special political influence utterly at variance with Japan's endeavors to subjugate and dominate China. No other Power possessed the same kind of influence as America did in this country.

By the secret Russo-Japanese alliance of July 3, 1916, the two contracting parties recognized that "their vital interests demand that China should not fall under the political domination of any third Power hostile to Russia or Japan," and they would therefore "frankly and loyally enter into communication whenever circumstances may demand, and will agree upon the measures to be taken to prevent such a situation being brought about.... In the event that, in consequence of the measures taken by mutual agreement as provided in the preceding article, war should be declared between one of the Contracting Parties and one of the Third Powers contemplated by the preceding article, the other Contracting Party will, upon the demand of its ally, come to its aid, and in that case each of the High Contracting Parties undertakes not to make peace without a previous agreement with the other Contracting Party." The "competent authorities" of the two Governments were to establish "the conditions in which each....will lend its armed co-operation to the other.. and the means by which this co-operation will be accomplished." This treaty preparing for "the impending conflict" was to "remain strictly confidential between the two High Contracting Parties,"—a fact which, as Morse and MacNair point out, "makes it apparent that Russia was disloyal to the Anglo-Russian Convention of 1907, and Japan equally so to the Anglo-Japanese Alliance of 1911."

The treaty was obviously directed against the United States. There was a pretense made by some that it was against Germany, but there was clearly no immediate possibility of China's falling under Germany's "political domination." Germany could only have become dominant in China through victory over both Russia (and the European Entente Allies) and Japan, under which conditions an alliance between the two, terminating in 1921, would have been a most hopeless and even absurd thing. But old Okuma, Japanese premier at the time, made no such pretence, but declared to an American correspondent with regard to the *public* Russo-Japanese convention (which was a friendly entente saying nothing of military measures), that its purposes "are an extension of the Anglo-Japanese Alliance. It aims to preserve Far Eastern peace. Japan cannot bear China's long political disturbances, upsetting Japanese commercial interests in China. There is a full understanding with Great Britain, who welcomes the new convention indorsing the Anglo-Japanese Alliance." There is nothing here in any way implying a convention against Germany, which could certainly not be accused of responsibility for the political situation in China, or of "upsetting Japanese commercial interest" here. And the Anglo-Japanese Alliance, referred to, was throughout its existence the support of Japanese aggression in China, aggression to which Germany at no time, during the whole period of the Alliance, ever raised any objection or offered any obstruction. Most striking of all, perhaps, is the fact that Japan, after the publication of the secret alliance, never attempted to make any official explanation of it to the American Government.

One cannot but wonder if Japan has, at present, any secret alliance with any other Power against the United States. The assurance with which she has acted in the last couple of years, and her defiance of American opinion and American interests, strongly suggest that she is not acting alone, and that she has something definite to support her against interference,—something stronger than the public 1907 Convention with France, more thoroughgoing than what has been admitted of the 1928 Entente with Britain. There is no doubt whatever, today, about her former military alliance—with the Czarist regime—against the United States.

Jap Airbombers Threaten Kalgan as Wang Ching-wei and Ariyoshi Discuss Peace in Nanking

EARLY on the morning of Thursday, September 14, Akira Ariyoshi, Japanese Minister to China arrived in Nanking and immediately called on Wang Ching-wei, Chairman of the National Executive Yuan and concurrently Minister of Foreign Affairs, Mr. Ariyoshi's announced purpose being to extend Japan's greetings upon Mr. Wang's assumption of office as Foreign Minister. The two officials conferred for two hours, according to reports which appeared in the Chinese newspapers at the National Capital.

On the afternoon of the same day, Thursday, September 14, only a few hours following the Wang-Ariyoshi conference in Nanking, Japanese airbombers attached to the Imperial Japanese Army in Manchuria, flew over Kalgan and dropped leaflets threatening to blow Kalgan off the map unless Chinese troops were immediately withdrawn from Kuyuan, an important city of Chahar province which is located to the north of Kalgan on the road to Dolonor.

Also, at approximately the same time, the *Shun Pao* and *Sin Wan Pao* leading Chinese newspapers at Shanghai, published reports from their correspondents at Peiping and Tientsin alleging that the Japanese were making active preparations for the annexation of Shanhaikwan to Manchukuo. The *Shun Pao* report, dated at Peiping on September 15, stated the Japanese forces stationed in Shanhaikwan had announced their intention of establishing a Manchukuo regime in that city. The report in the *Sin Wan Pao*, dated at Tientsin, September 14, said that Manchukuo flags had been hoisted at Shanhaikwan, replacing the Chinese nationalist flag, and that a delegation of Chinese gentry under pressure of the Japanese had left for Changchun with a petition "requesting" the Manchukuo authorities to take over the city. A *Reuter* dispatch from Peiping on the following day, September 15, stated that Col. Shibayamra, Japanese Military Attache in Peiping, had definitely informed the Chinese authorities of Japan's refusal to permit the Chinese to send troops into the so-called "neutral" zone for the purpose of suppressing banditry.

Of further interest in connection with Japanese policy toward China, reports from Tokyo stated that Count Uchida, Minister of Foreign Affairs had suddenly resigned and Koki Hirota had been appointed to the post. This also occurred on the same fateful Thursday, September 14, thus leading the Chinese newspapers to conclude that the Tokyo military clique headed by Gen. Sadao Araki, was strongly dissatisfied with the policies of Count Uchida and desired a new Foreign Minister more fully in accord with the "strong foreign policy" of the War Office. In this connection it was stated that Akira Ariyoshi would shortly be recalled to Tokyo and a new minister sent to China.

Koki Hirota, the new Tokyo Foreign Minister, in an interview with Foreign Correspondents on September 16, declared that if China would "take proper cognizance of Manchukuo and the existing situation" the relations of China and Japan "would certainly become better." He said that most of the pending questions between China and Japan had arisen from the Manchurian "incident," and in connection with present disturbed conditions in China, Mr. Hirota wished Chinese officialdom success in their strenuous efforts to "put their own house in order." In the same press interview Mr. Hirota emphasized the importance of establishing an early "economic accord" with Great Britain as a means of strengthening the "traditional friendship between the two countries" and at the same time declared that he did not consider a non-aggression pact as necessary between his country and the United States or Russia.

Thus, if Chinese officialdom had any sincere hope of improving relations with Japan through the medium of Count Uchida, those hopes apparently have been dashed to the ground for the Japanese military clique has no present intention of changing its "fixed" policy toward this country. This was most definitely indicated in the threat to bomb Kalgan and annex Shanhaikwan and the definite refusal of the Japanese military authorities to permit the Chinese to send troops into the so-called neutral zone for the purpose of suppressing bandits which had been permitted to enter the zone through the Japanese military lines in control of the Great Wall. And if further evidence of Japan's "fixed" policy toward this country was desired, it was amply demonstrated in the action of the Japanese Kwantung Army authorities during the latter part of August in annexing the Hsinlung district of northern Hopei to Manchukuo and compelling the recently appointed Chinese magistrate, Li Jung to return to Peiping. Also, of undoubted significance in the same direction was the completion and occupation of new permanent barracks and the creation of a fortified zone in Chinese territory at Shanghai by the armed forces of the Imperial Japanese Navy.

Although the authorities at Nanking and the Chinese newspapers have maintained discreet silence regarding the matters discussed by Wang Ching-wei and Ariyoshi at their recent conferences in Nanking, the Japanese newspapers have had considerable to say on the subject. The Tokyo *Nichi-Nichi* on September 5 stated that Count Uchida had definitely decided to discontinue the long watchful-waiting policy which had characterized Japan's attitude toward China and to initiate in its place a positive policy of direct negotiations. To this end Count Uchida instructed Mamoru Shigemitsu, vice-minister; Kazue Kuwajima, director of the Asiatic Bureau and other officials of the Foreign Ministry to investigate possibilities for direct negotiations. It was therefore in accordance with this move that Minister Ariyoshi was instructed to interview Wang Ching-wei at Nanking. According to the report in the *Nichi-Nichi* Mr. Ariyoshi was instructed to sound out Nanking on the possibilities of Japanese economic co-operation with China as an alternative to China's present move toward co-operation with America and European nations and the League. Specifically the Japanese Minister was instructed to offer China a number of attractive "baits" most of them having to do with development projects in north China. Among the various projects mentioned in the *Nichi-Nichi* were the following: Connection of the Shantung and Lunghai railways; improvement of the Peiping-Suiyuan railway; construction of a new railway connecting Chinchow in southern Fengtien province with Kalgan in Chahar. Mr. Ariyoshi was instructed to offer the National Government loans for the carrying out of these projects, but first of all the Nanking Government had to agree to discontinue all anti-Japanese movements throughout China and provide guarantees against future violation of treaties. Nothing was said about China's recognition of Manchukuo, but this was implied in the demand that China observe the Japanese interpretation of the Tangku truce agreement.

But while the Tokyo Foreign Office was formulating these plans the War Office apparently had decided that it was useless to attempt to conciliate China with the bait of economic assistance. The Osaka *Mainichi* on September 12 published a report from its correspondent in Nanking alleging that the National Government had adopted a "double-faced" policy at the recent Kuling conference which was participated in by General Chiang Kai-shek, Wang Ching-wei, Sun Fo and T. V. Soong. This report claimed that the Nanking Government, "while slightly changing its policy toward Japan," had on the other hand decided upon the following fundamentals:

1.—In principle, China will resist Japan for a long period.
2.—China will further improve her relations with the League through economic co-operation.
3.—Serious efforts will be made to unify the country, remove political unrest so as to gain the confidence of the Western Powers and at the same time take definite steps for the development of essential industries necessary for the consolidation of national defence.

According to the Japanese version of the decisions reached at the Kuling Conference the National Government, while adhering to the principle of long-sustained resistence to Japan, will on other hand make an attempt to improve diplomatic relations with Japan as advocated by Wang Ching-wei and Huang Fu to the end that serious diplomatic complications may be avoided. An initial step in this direction, will be the return of Chiang Tso-ping to his post as Chinese Minister in Tokyo.

What policy the new Japanese Foreign Minister will adopt is not yet known, but it appears obvious that he will be considerably more amenable to War Office domination than was Count Uchida who was kicked out by General Araki. A considerable insight into Japanese policy toward China was provided in the course of an interview with Yotaro Sugimura which appeared in the Tokyo *Asahi* on September 11. Mr. Sugimura who previously served as Japan's diplomatic agent at Geneva, recently was dispatched on a two months' trip to Manchuria and China for the announced purpose of combatting League influence. In the course of the interview Mr. Sugimura indicated that Japan was considerably disturbed by recent manifestations of American and European interest in China. He referred particularly to China's employment of League technical experts, America's development of aviation projects and other enterprises and Britain's dispatch of Mr. Cadogan as Minister to China. Declaring that Japan must be on her guard against these "crafty tactics," he emphasized the necessity for Japan to make "positive endeavors" to promote friendly relations with China. He said that Japan's policy would largely be influenced by the policies of America and Britain, particularly America. He did not appear to be particularly worried about British policy toward China which he declared was shaped by a few "antiquated China experts."

War Minister Araki, also expressed his views on the question of China policy in the course of an interview which appeared in the Osaka *Asahi*. He said that present domestic conditions prevailing in China would render it impossible for the Nanking Government to alter its attitude toward Japan "all of a sudden." He admitted that Japan's position in international affairs is not favorable and declared that so long as China remains wedded to her policy of playing off one country against another, that there was little prospect that Japan's international position would be markedly improved. In view of the uncertainty of Sino-Japanese relations and the uncertain naval situation caused by America's decision to build up her navy, there was nothing for Japan to do but build up her army and navy and at the same time foster educational reform so as to eliminate communism and improve popular ideas.

Therefore to summarize the present situation: The Imperial Japanese Army, which now dominates the Japanese Government, will continue to maintain its present position in Manchuria. But on the other hand Japan will seek through diplomatic means, plus various forms of intrigue and intimidations to improve her position in China proper and at the same time attempt to offset American and European efforts to assist China in her reconstruction activities.

CHINA'S FOREIGN POLICY

BY WANG CHING-WEI

(President of the Executive Yuan and Acting-Minister of Foreign Affairs in the People's Tribune for Sept 16)

In view of the rumors afloat to the effect that, with my assumption, *ad interim*, of the portfolio of Foreign Affairs, the National Government is contemplating a radical change of policy in its relations with the foreign Powers, it may be well to emphasise that the foreign policy of the National Government is determined, in the first and in the last instance, by the Central authorities. The Ministry of Foreign Affairs is merely the organ for the execution of the decisions of the Central authorities. The foreign policy of the Central Government has been set forth in my joint statement with Chairman Chiang Kai-Shih issued on July 28 last. The chief idea of this manifesto is that the entire nation should realize that present-day China is in a very precarious position being menaced on all sides by foreign aggression—passing through a crisis which may be considered unprecedented in Chinese history. On the other hand, it is also well to realise that, ever since the 19th century, many nations have gone through similar crisis. Some of them have lost their independence, while others have been able to struggle along to this day.

The circumstances under which the crises occurred, are different in different countries. Likewise, the methods for coping with them are also different. But one point of similarity stands out strikingly, namely, any nation faced with a crisis must recognize its own position and strive by its own efforts for its own salvation and existence. It is of no use getting excited or angered. France after the Franco-Prussian War and Gtrmany after the Great War are excellent examples in point. France believed in "keeping her every worries in her heart, instead of putting them on her lips." Germany swallowed the bitter pill, at the same time working doggedly and unceasingly for her rehabilitation.

In this connection, I have heard it sometimes said: "If we have three thousand airplanes, we can certainly take vengeance on our enemy." But this is sheer idle talk. We should ask ourselves; Have we three thousand airplones at present? Are other countries likely to give us sufficient time to train up enough pilots for the three thousand planes? When we have given our pilots sufficient training and are in a position to use our three thousand planes, what if by that time other countries should have four or five thousand airplanes at their command?

So long as satisfactory answers to the above-mentioned three question are wanting, it is better to refrain from idle talk. An ancient sage once said, "If you are harbouring a scheme at heart, it will be dangerous to let your plans be known." This is not exactly my idea. For we are only striving for self-salvation and self-preservation. We are not harbouring any schemes against anybody. It is possible that we may not have sufficient time and opportunity even for self-salvation and self-preservation. However, so long as we are alive, we must not waver in our determination. We are not only in no position to scheme against any one but are also in no position to talk of allying ourselves with, or seeking assistance from, others. I pointed out sometime ago that without adequate national strength (*kuo li*), we shall not only be unable to offer resistance, but shall also find it impossible to offer our friendship to others. For it is only when we can maintain our own national independence that we can talk of co-existence with other world Powers.

Some people are now talking of getting on friendly terms with Party A, while others are clamoring for friendly relations with Party B. All this is simply idle talk. For before we have got on friendly relations with one party, we are likely to have already come into conflict with the other. If we realize and recognize our present position, we will certainly not take such a dangerous course. Our present position, it must be understood, is like that of a sick man whose life is in grave danger. Besides taking the right medicine, he must keep himself strictly on diet. If a wrong tonic should be prescribed to him, it will not only do no good, but may cause his death. The fact that he still needs the assistance of other people shows that he is still in ill-health. An inappropriate tonic will therefore be exceedingly dangerous to his health.

For this reason, our foreign policy and our domestic policy must be in absolute harmony with each other. We must develop the strength of our people (*min li*), their productive power—distinguishing the urgent and important from the unessential and realising that our aim must always be *self*-salvation and *self*-preservation.

Early Resumption of Hostilities in North China Forecasted in Chinese Newspapers

THE strengthening of Japanese garrisons in Jehol province and along the Great Wall, plus the recent shipment of large quantities of ammunition into that area by the Imperial Japanese Army are regarded as ominous signs pointing in the direction of an early resumption of hostilities in north China. And if further evidence is wanted, the Chinese papers in Peiping as well as dispatches appearing in the Shanghai papers call attention to the recent Japanese threat to bomb Kalgan, the move to annex Shanhaikwan to Manchukuo and the refusal of the Japanese military authorities to permit the Chinese to interfere with Japanese-instigated banditry in the so-called "neutral" zone. According to a dispatch from Tientsin published in the *China Times* on September 18 the Japanese are sending more troops to Chengteh, capital of Jehol and also are strengthening their garrisons along the Great Wall, particularly at the important Kupeikow Pass to the north of Peiping. In addition the Japanese for sometime have been engaged in the construction of a new airfield near Kupeikow, the obvious purpose of which is to menace Peiping. The *Shun Pao* also forecasted fresh trouble in the north resulting from the recent decision of the Japanese military authorities to annex Shanhaikwan as Manchukuo territory. The official *Kuomin* service in a dispatch from Peiping on September 17 reported that the Japanuese had definitely refused to permit the Chinese authorities to send troops into the demilitarized zone for the suppression of bandits. The elaborate pro-Manchukuo demonstration staged in Shanhaikwan on September 15, the anniversary of the recognition of Manchukuo by Japan, was an obvious Japanese gesture leading to early annexation of this strategic area to the puppet state of Manchukuo. Significant features of the demonstration were the unveiling of Henry Pu-Yi's photograph and a speech by the Japanese-appointed Chinese mayor of Shanhaikwan expressing the hope that Manchukuo would bring prosperity to both China and Japan.

Of outstanding interest in the northern situation was the distribution of handbills over Kalgan by a Japanese airbomber on September 14 charging the Chinese military authorities in Chahar province with violation of the Tangku truce arrangement. According to the account of the incident circulated by the official *Kuomin* service, the Chinese action in occupying the town of Kuyuan, located between Kalgan and Dolonor was regarded by the Japanese as a violation of the truce, hence the Chinese troops were warned to evacuate Kuyuan immediately and withdraw to the east of the Changping-Yenking-Lungkwan-Changpai line. The messages dropped in Kalgan by the Japanese airbomber informed the Chinese authorities that unless the warning was heeded at once, the combined forces of Japan and Manchukuo would attack the Chinese forces and Kalgan would be bombed. Upon receipt of the warning the Chinese authorities in Kalgan immediately wired Gen. Ho Yin-chin, acting chairman of the Peiping Military Affairs Commission, for instructions. The Chinese authorities frankly admitted their astonishment at the Japanese ultimatum and immediately wired Gen. Chao Teng-yu of the Chahar army for information regarding the situation. It seems that Kuyuan had been occupied by Gen. Chao upon instructions issued by Gen. Sung Chien-yuan, governor of Chahar. On Sept. 16 Col. Shibayama, Japanese Military Attache in Peiping called on Gen. Ho Ying-chin and informed the Chinese commander that the occupation of Kuyuan was contrary to the truce, declaring that the presence of Chinese troops in that area was regarded as a menace to the western border of Manchukuo. Yin Tung, a member of the Luantung Retrocession Committee, then called on Col. Shibayama and explained that the Chinese troops had occupied Kuyuan for the purpose of suppressing bandits. It apparently was during this call that Col. Shibayama informed the Chinese commissioner of Japan's refusal to permit Chinese troops to enter the demilitarized zone for the purpose of suppressing bandits. However, it was suggested the

Chinese might possibly be permitted to increase the number of police in the area by recruiting more Manchukuo irregulars.

Whether the Japanese are actually preparing for a further advance into north China is not known but neutral observers in Peiping have expressed the view that the Imperial Japanese Army, for reasons concerned with domestic Japanese politics, may consider a further military demonstration in north China as advantageous in forcing through its military appropriations. It was also felt that the Japanese army might stage a further adventure in consequence of the pending meeting of the League and also for the purpose of expressing its displeasure regarding recent developments at Nanking following the return to China of T. V. Soong.

That the present disturbed situation in north China is a direct result of Japanese interference, intimidation and intrigue in Chinese political affairs, was the charge made in the course of an extended review of the situation in North China which appeared in the Peiping *Morning Post* on September 14. Yin Tung, member of the re-rehabilitation committee was quoted as saying, "One the one hand the Japanese are preventing the Chinese authorities from dispatching troops to suppress the bandits and on the other hand the Japanese are demanding that we incorporate as many bandits and Manchukuo irregulars as possible into the zone police force. This is tantamount to encouraging the growth of banditry, while the Manchukuo renegade commander, Li Chi-chun acting under orders of the Japanese is doing his best to establish his power in the Luantung district. Gen. Li Chi-chun and another renegade commander, Gen. Shih Yu-shan are taking their orders from the Japanese militarists and the puppet state, but unfortunately the Chinese authorities were compelled to recognize them and incorporate their forces into the zone police force. The bandits operating in the zone are better armed than the Chinese forces and so long as Japan controlls the main passes in the Great Wall, still more bandits will be permitted to enter the north China area....The Chinese authorities must take a stronger stand in dealing with the Japanese. Our authorities must meet out summary justice to Li Chi-chun and Shih Yu-shan for they have lost their consciences and are beyond the pale of the law."

The Japanese military authorities in a *Rengo* dispatch from Shanhaikwan on Sept. 14 denied that the banditry situation was serious in the demilitarized zone and alleged the Chinese military authorities were exploiting the situation with the object of violating the Tangku truce and sending troops back into the area adjacent to the Great Wall and the southern border of Manchukuo. A dispatch from Peiping in the *Sin Wan Pao* said that a bandit leader named Lao Pao-tze, commanding 4,000 outlaws, who had just entered the zone from Jehol province, was menacing Chinwantao. The report claimed this force was armed with modern rifles, machine-guns and several field pieces.

The Peiping *Morning Post,* in a further discussion of the situation in the demilitarized zone declared that the chaotic situation was due entirely to Japanese machinations for certain well known reasons. "On the one hand the Japanese want to keep the Luantung area in a perpetual state of chaos so that Japan can hold the territory indefinitely, while on the other hand the Japanese can use the presence of banditry in the evacuated areas as a pretext for a descent on Peiping and Tientsin at any moment they may desire. For these reasons it should be clear for our authorities to see that Japan has no desire to see the area cleared of bandits. A further reason for the Japanese action is to bring pressure on the Nanking Government to withdraw Gen. Yu Hsueh-chung, governor of Hepoi province whom the Japanese dislike because of his opposition to their activities in the Tientsin area. The Japanese regard Gen. Yu Hsueh-chung as an adherent of Marshal Chang Hsueh-liang and the former Chinese authorities in Manchuria, hence desire his removal so as to have a pro-Japanese official appointed to his post. The Japanese are but awaiting an opportunity to manufacture an incident so they can claim the Chinese have violated the truce. The Japanese then will send troops into north China and occupy both Tientsin and Peiping." A further report in the *Tao Kung Pao,* leading paper in north China stated there are now between 8,000 and 10,000 bandits in the demilitarized zone, all of whom have entered the area since the signing of the Tangku truce and the withdrawal of the Chinese forces. This report alleged that the Japanese are now bringing pressure on the Chinese authorities to incorporate all these outlaws in the Chinese police force and place them under the renegade commander Li Chi-chun who is working to create another puppet administration in north China.

A further Chinese editorial discussion tending to confirm the other reports regarding the critical situation in north China appeared in the *China Times* (Shanghai) on September 18 to the following effect,

> "According to the reports from North China, fresh troubles seem to be brewing there. The latest is that the Japanese have delivered a warning to General Sung Cheh-yuan ogainst any further advance eastward by the Chahar forces; that the Japanese are planning to approach the Chinese authorities with the request that Kuyuan and Dolonor be declared a demilitarized zone; that the bandits in the Luantung district be reorganized after the manner of Li Chi-chun's irregulars and that the Japanese garrisons along the Great Wall have been reinforced. There is every indication that the Japanese are now looking for another pretext to start a new campaign in North China.
>
> "When the Tangku Armistice was signed the Chinese people rejoiced that Peiping and Tientsin had escaped the fate of being bombed by Japanese aeroplanes. They did not know that, by that Agreement, the Japanese had secured the undisputable right of exercising indirect control of North China. Some people are convinced that the Japanese will not break their word by taking renewed action in violation of the Tangku Agreement, but they are sadly mistaken. The Japanese concluded it and they can easily break it. As the Japanese had no sincerity towards China from the very beginning it would be a dream to expect Japan to respect her promises.
>
> "Recently the new Japanese Foreign Minister Hirota declared that the existence of Manchukuo would pave the way to closer relations between China and Japan. This statement is absurd. He also said that the world has quietened down from the excitement caused when the Manchurian affair broke out. This, however, is also untrue. Ever since the Japanese occupation of Manchuria, China has never abandoned her claim to that territory. The Manchukuo Government is a puppet organization of the Japanese. Instead of being a steppingstone towards the awakening of the people in the Far East, as declared by Mr. Hirota, iti s leading unmistakeably towards another war in the Far East.
>
> "China on her part will never give up her fight. The Manchurian affair is not the result of a con-

flict between Japanese and Chinese nationalism, but a struggle between an imperialist nation and an oppressed race. The Manchurian issue is not a bridge towards better Sino-Japanese co-operation, but actually has deepened the hatred between the two peoples. When such an absurd statement is made by the Japanese Foreign Minister, it is a clear indication that Japan's policy towards China has never been slightly changed. Yet the Chinese people in the North hope that the Sino-Japanese trouble is all over. We are wondering what grounds they have for their expectations."

Communists Still Active in Yenping Region

The Communists at last reports were still active in the vicinity of Yenping. Defense preparations around Foochow are still under way. Of the twenty projected defensive towers around the city, five are under construction. The Ministry of War has sent two military transports to Foochow. They have placed at the disposal of the 19th Route Army.

Foreign advices from Foochow end of last week stated that the Communists have captured the city of Yungfu, a city about thirty miles from Foochow. The Communists were apparently trying to capture a sea-port in Fukien and were apparently doing everything to carry through said project irrespective of sacrifices. Recent telegrams from Fukien stated that the provincial troops have been unable to assume the offensive because their defense line is so long that a concentrated attack on the Reds is impossible.

According to an urgent message from General Tsai Ting-kai to General Chen Chi-tang, commander of the Cantonese Forces, Sept. 15, the communists, cornered by the joint drive by the Cantonese forces and the 19th Route Army, have retreated to Kweihwa and Tsinliu on the border and are now moving back to their old den, Kiangsi.

General Tsai Ting-kai, commander-in-chief of the 19th Route Army, arrived at Yenping end of last week and conferred with army officers there in regard to the progress of the anti-Communist campaign.

Kwangtung troops were moving up from Shangchang end of last week to encircle the Reds, while the First Group Army will send all available troops to support the Fukien anti-communist campaign.

According to despatches from Foochow it is announced there that the Communist forces have withdrawn from the area which they recently occupied and have gone to Shaowu, in the north-west corner of the province, near the Kiangsi border, and therefore Yenping is no longer endangered.

As a result of the Communist operations in Northern Fukien, telegraph communications between Shanghai and Foochow have been interrupted. It is understood that some of the telegraph poles in the districts of Yenping, Chienning and Chienyang in North-western Fukien have been cut down by the Communists.

Fukien Communists Again Start Attack on Yenping

At last reports from Yenping the remnants of the Communist forces, having found their retreat cut off by the Fukien and Kwangtung forces, began a vigorous attack on said city.

Foochow, the capital of Fukien, continues to be placed under strong military protection, following the organization of the City Defence Headquarters, with General Oong Chao-huan as commander.

General Chen Chi-tang, commander of the Cantonese forces, is rushing preparations to prevent the defeated communists in Fukien from returning to the province of Kiangse.

Five divisions of Cantonese troops under Generals Huang Jen-kwei, Chang Mei-sung, Huang Chih-wen, Huang Ting-chun and Wang Ping-chan have been ordered by General Chen to proceed to the Kiangsi-Fukien border to cut the rear of the retreating communists.

Communist Bandits Raid Chekiang Border

In the wake of the serious situation in Fukien, communist bandits operating in Kiangsi invaded the Chekiang border and captured the city of Kaihwa Sept. 17. A counter-attack was launched by General Yu Chi-shih. The Reds deserted the walled city and offered a stubborn resistance outside. The battle continued the following day when the Government troops successoully repulsed the communists and recaptured the city.

General Chiang Kai-shek, in a recent circular order to the various bandit-suppression commanders at the front, gave instructions strictly to enforce the economic blockade and forbidding them to collect any taxes under any pretext whatsoever.

East Honan Town Captured by Bandits

The town of Huaitien in East Honan was captured by bandits, about several thousand in number, under the leadership of Yang Li-kung, Chang Hsueh-lang, and Cheng Tao-yung, on Sept. 6. More than 3,000 people including men, women, and children, were either killed or taken away as captives. The military authorities have dispatched the 13th and the 14th cavalry brigades to recapture the town. The bandits are said to have been directed by the Reds.

Lu Yi, in eastern Honan near the Anhui border, was captured by bandits on September 13. They looted the city set fire to a number of buildings and took the district magistrate prisoner. Upon the approach of government troops the bandits withdrew to the surrounding country the day following the capture of the city, carrying away the magistrate and a large number of other residents as captives, to be held for ransom.

General Ho Chien, Chairman of the Hunan Provincial Government, has gone to Western Hunan to direct operations against the Communists in person. General Ho has established his headquarters at Pinhsiang.

Steamer Pirated on Chekiang Coast

The steamer *Hsin Jui Ping*, of the Fuhsing Steamship Company of Shanghai, which has been on the regular Shanghai-Juian service, was pirated off the Chekiang coast on September 12 by a band of nine pirates, who boarded the vessel disguised as passengers.

Szechuen Communists Advancing Southward

The advance of the Communists in Szechuen towards the south continues unchecked. At last reprts the Communists occupied all districts north of the Kialin River. The provincial troops under General Yang Sen were holding the south bank of the river.

With the recent conclusion of the internal strife in Szechuen province between General Liu Wen-hui and General Liu Hsiang, the provincial forces have now joined hands for a big push against the communists.

The Communists on the Szechuen-Shensi border have organized their own government at Ningchiang, in Southern Shensi, where they have established their headquarters.

Taking advantage of the civil war in Szechuen, the Communists have considerably strengthened their position on the Szechuen-Shensi border and have secured a much larger number of followers by their propaganda.

A recent Hankow message stated that General Ho Cheng-chun, Director of the Hankow Pacification Headquarters, will shortly be despatched by the Central Government to Chengtu, provincial capital of Szechuen, to administer the oath of office to General Liu Hsiang, Rehabilitation Commissioner for Szechuan, upon the latter's assumption of his concurrent post as Commander-in-Chief of the Szechuen Bandit-suppression forces.

General Liu Hsiang called an important military conference at Chengtu Sept. 13 when a decision was reached that an expeditionary army should be organized in ten days and sent against the communists in the northern part of the province immediately. Reports are current that Soviet officers have been found among the communist troops at Tungkiang and Pachung, in Northern Szechuen.

A Communist plot to stage a *coup d'etat* in Kalgan before the October Revolution anniversary has been unearthed by the military authorities in said city. General Sung Chen-yuan, Chairman of the Chahar Provincial Government, has circularized an order to his subordinate commanders instructing them to exercise extreme caution in stamping out the Communist menace in the province.

Judicial Reform for Sinkiang

The Peiping *Morning Post* comments:—"During his recent airplane trip to Sinkiang Dr. Lo Wen-kan, the Minister of Justice, made brief stops at various places to investigate prison and judicial conditions. During his stay in Sianfu, the capital of Shensi, Dr. Lo is reported to have realized that in view of the poverty of some of the interior provinces the Government should assist them with funds so as to raise the salaries of the judges. We are in complete agreement with Dr. Lo, for if the judges in the interior are poorly paid, as compared with those serving in the cities and ports, then there is no inducement for aspiring judges to go to the interior."

Heavy Earthquake Losses in Szechuen

Upwards of five thousand lives were lost as a result of the disastrous earthquake which occurred in Northern Szechuen in the latter part of last month. In the districts of Sungmou and Mowkung a large number of houses caved in, burying many people beneath the ruins. At Tiehhsi, a town not far from Mouhsien, the whole town was destroyed and about a thousand persons buried alive.

Szechuen Wants Earthquake Relief Funds

General Liu Hsiang, the chairman of the Szechuan provincial assembly, has sent a telegram to Lin Sen and Wang Ching-wei, appealing for funds to help the sufferers in the earthquake which struck western Szechuen on August 15. General Liu states that the quake was accompanied by landslides and exacted an immense toll in lives and property in several districts along the upper reaches of the Min River. He adds that the entire town of Tichichan collapsed.

N. E. C. Standing Committee Discusses $50,000,000 Loan

Wang Ching-wei, president of the Executive Yuan, and Sun Fo, president of the Legislative Yuan, accompanied by Tang Yu-jen, vice minister of foreign affairs, Dr. Chu Chia-hwa, Minister of Communications, Dr. Cho Ming-yi, chief secretary of the Executive Yuan, Tseng Chung-min, vice-Minister of Railways, and Dr. J. Heng Liu, director of the National Health Administration, came to Shanghai over the week-end. Messrs. Wang and Sun proceeded to the home of T. V. Soong, Minister of Finance, where the three held their first conference as members of the standing committee of the National Economic Council, which has, among other functions, the duty of disposing of the U.S. $50,000,000 wheat and cotton loan which Mr. Soong arranged in the United States. Interviewed by press representatives at his Rue Bourgeat residence following the conference, Mr. Wang said that they discussed the principles governing the enlarged National Economic Commission and specifically on the best ways to utilize the huge loan obtained from the United States. While the loan will be used for productive purposes, Mr. Wang declared a supervisory committee will be formed with delegates elected both from the government and the people to oversee the distribution of the loan. Questioned on the reported changes in the Chinese foreign policy, particularly that with Japan, Mr. Wang declared that the only principle to which Chinese foreign policy adheres is "to save the country and to prolong its existence." There might be changes in method but the principle remains, he added.

Chinese press reports stated that it has been tentatively agreed to apportion 30 per cent of the loan for the rehabilitation of rural China, another 30 per cent for the improvement of Chinese cotton, 20 per cent for the reorganization of currency, and the remaining 20 per cent. for specific enterprices.

Scope of N.E.C. to Be Extended

The Central Political Council on Sept. 13 decided on the extension of the scope of the National Economic Council and the appointment of Wang Ching-wei, T. V. Soong and Sun Fo as the Standing Committee. It was also decided that the Council shall hereafter be placed under the direct jurisdiction of the National Government; the law governing the organization of the enlarged Council is to be drafted by T. V. Soong.

With regard to the American cotton and wheat loan, the meeting decided that the proceeds of the loan shall, as a general principle, be used exclusively for the development of productive enterprises and rural rehabilitation and that the National Economic Council be given full authority for the disposal of the proceeds in accordance with the above-mentioned principle. A Special Committee, which will include representatives from the people, is to be established for the custody of the proceeds as well as supervision over the disposal thereof.

An important meeting of Government leaders was held in Nanking Sept. 18 when questions relative to the situation in North China, Party affairs and foreign relations were discussed. Wang Ching-wei, President of the Executive Yuan, presided, and over thirty Government officials were present, including Tai Chi-tao, Chen Kuo-fu, Wu Chih-hui, Chu Cheng, Chen Kung-po, Chiang Tso-pin, Shao Yuan-ching, Generals Chu Pei-te, and Chen Yi. It is understood that President Wang reported at length on the results of his recent consultations in Shanghai, particularly with reference to the extension of the scope of the National Economic Council, the disposal of the proceeds of the American wheat and cotton loan, and the finances of North China.

T. V. Soong while in Shanghai exchanged views with local Chinese bankers concerning the proposed loan of $12,000,000 from Shanghai banks for relief-work among flood refugees in Central China. Mr. Soong had a meeting among others with Chen Kwang-pu, managing-director of the Shanghai Savings Bank.

While in Shanghai Mr. Soong also interviewed various industrial leaders with a view to pushing the sales of the American cotton covered in the U.S. $50,000,000 cotton and wheat loan he secured from the United States, among them Yung Tsung-ching, known as the "cotton king" of Shanghai, Kwok Shun, general manager of Wing On Cotton Mill, and Nieh Lu-sheng. These leaders, it was reported, have not favorably reciprocated to the offer of the American cotton offered by the finance chief.

Mr. Soong returned to Nanking Sept. 18 aboard the customs patrol steamer *Lien Hsing*.

Rural Districts to Be Rehabilitated

Sun Fo in a press interview Sept. 18 stated that the National Economic Council in future would aim at improving the cultivation of homegrown rice, wheat and cotton and rehabilitating the rural districts and the bandit-ravaged areas of Kiangsi. The regulations governing the organization and functions of the N.E.C. he said, will have to go through the proper legislative procedure. As regards the present slump in the native rice and wheat market, Mr. Sun aaid that this deplorable state of things is largely due to foreign dumping on the Chinese market. In drafting the new import tariff recently, Mr. Sun said the Government contemplated the imposition of an import duty on foreign rice and wheat, yet due to opposition from Kwangtung the proposal was dropped. With regard to the native cotton industry, Mr. Sun said that owing to lack of organization as well as to foreign dumping, depression now prevails in the Chinese cotton market. This in turn caused distress to the cotton growers, with the result that the solution of the problem of rural economy is rendered more difficult. This cotton question is now a big social problem, and will therefore be dealt with by the N.E.C., he said.

The *Shun Pao* states that the first batch of American cotton will arrive here on or around Sept. 26. The consignment consists of 12,000 bales. It is stated that the American cotton will be stored in the warehouses of the China Merchants Steam Navigation Company. Various Chinese cotton mills have made applications to get a portion of the consignment, it is said.

With reference to the American wheat and cotton loan Wang Ching-wei, President of the Executive Yuan, in a press interview Sept. 17 intimated that it has now been decided to use the proceeds of the loan exclusively for the improvement and development of the production of food stuffs and cotton yarn.

Chinese Cotton Mill Closes Down

The Yung Yu Cotton Mill, one of the biggest Chinese cotton mills in Shanghai, has been closed down by the Local District Court as insolvent. It did a prosperous business, for many years, but the *Shun Pao* says it has suffered acutely recently as a result of the dumping of foreign cotton goods on the Chinese market.

Biggest Flour Mill at Haichow Destroyed

The Hai Feng Flour Mill in Hsuchow, the biggest in Northern Kiangsu, was destroyed by fire Sept. 17. The loss is estimated at $1,000,000. A large quantity of flour and wheat was also destroyed.

Interior Provinces Ask Funds for Railway Construction

Various public organizations of Shensi, Kansu, Chinhai and Sinkiang have sent a joint telegram to the Government urging that Mex. $100,000,000 of the American Cotton and Wheat Loan should be set aside for the completion of the construction of the Lung-Hai Railway. They urge that the completion of the line would save the North-west from further famines and would help to extend the authority of the Central Government to the frontier regions on the West.

Wheat Advisory Committee Meets in London

The Wheat Advisory Committee set up under the terms of the recent international wheat agreement held two meetings in London, Sept. 18 at the Foreign Office under the chairmanship of the United States Ambassador, R. W. Bingham.

Tokyo Police Arrest 17 Leftist Lawyers; Cadets Sentenced

The Tokyo Police Sept. 13 arrested 17 lawyers, who are believed to be members of the Left Wing Lawyers Body. The arrested lawyers include Tatsuji Fuse, Susumu Uyemura, Kanji Shindo and Atsush Kazai. According to the police, these lawyers organized a "Lawyers Relief Association" in February last and have been supporting the extreme Left campaign in Japan in cooperation with other radicals.

Eleven Military Cadets Receive Light Sentences

Sentences of four years' imprisonment, instead of eight years as demanded by the Procurator. were passed in Tokyo, Sept. 19, on the 11 military cadets concerned in the outrages on May 15 last year, when the then Premier, Mr. Inukai, was assassinated and other terroristic acts committed. In passing these light sentences, the judges are believed by *Reuter* to have taken took into consideration the widespread agitation throughout the country by reactionaries that the accused should be dealt with leniently on account of the supposed patriotic motives behind the outrages they perpetrated.

Three-hundred fifty-seven thousand three hundred and eighty-eight letters had been addressed to the War Minister and Lieutenant-Colonel Nishimura, the Presiding Judge of the court martial of the Aoyama Division by the general public up to September 13, demanding leniency for the accused.

Indignant at the heavy sentence asked by the Naval prosecuting officer for the Naval officers in connection with May 15 outrages Lt. Kazuo Fukuda, 23 years old, of the *Kaga*, flagship of the First Aviation Squadron, attempted suicide in Tokyo September 16.

12,000 "Communists" in Prison in Japan

A recent American traveller in Japan estimated the number of Communists in prison in Japan at the present time at 12,000. A great deal of concern is felt by the Japanese Government over the increasing strength of the Communistic movement, which for the most part is led by young intellectuals who have recently graduated from various universities. Despite every method used to stop it the movement is daily gaining ground and there is considerable fear in political circles that the government may be overthrown and succeeded by a Soviet alliance. One informant related that when more than three young men live in a house together, they are immediately under suspicion by the Police of carrying on Communistic activities. They are closly watched and at the slightest provocation are taken to prison and given the "works"—the "works" consisting of being tied by the thumbs and having water doused on their heads till innocence or guilt is determined. More often than not the verdict is "Guilty."

Held on Suspicion for Two Years

The *Jiji* reports a case of two apparently unrepentant Communists. These two men have been held in the Shizuoka prison *incommunicado* for two years, and at length, in order to compel the judicial authorities to proceed with their case, have gone on hunger strike. The *Japan Chronicle* comments that there is something seriously wrong with the procedure when such things as this can happen. Unless the police can prove their case in much less than two years the prisoners should be set free notwithstanding the suspicions.

The Yokohama police Sept. 5 arrested one Ishii, 22 years of age Communist of Yokohama, who had become a swindler. Released as he was on the promise of his recantation from Communism, as he could not find a job after getting out of the prison, he began to defraud various department stores.

The money obtained on the mortgage of a ring valued at Yen 4.000 by Kinuko Ohbayashi, the daughter of a Kobe foreign trader, was all contributed to a Communistic movement, according to the *Japan Chronicle* of Sept. 7. She was instigated to the act by a Communist friend who worked as a cafe waitress to help finance the movement.

A group of 14 Communists was rounded up by the police in Chiba district Sept. 6, under the direction of the central Communist Party. They were alleged to have been attempting to influence communications workers and farmers of the district by distributing the *Red Flag*.

Son of Major-General on Trial as Red

Shunichi Hayashi, a son of Major-General Daihachi Hayashi, who was killed in the Shanghai fighting, was put on trial before the Yokohama District Court recently on a charge of engaging in radical activities. The accused allegedly set about organizing a Communist group in Kawasaki some months ago. After the prosecution, Counsel Imai asked the Chief Judge for leniency with stay of execution on behalf of the accused.

With a view to suppressing subversive literature effectually, the Police Bureau of the Home Office has drafted new Bills providing for revision of the press law and of the publication law. The present idea is to enact a separate law for the control of subversive publications, independently of the Press and Publications Laws, which will be left intact.

The Tokyo Metropolition Police Board charges that Communists have attempted to establish wireless stations in the principal cities of Japan to maintain closer communication and at the same time to exchange information with radical elements in Shanghai and Vladivostok. Training of young women operators for the stations is part of plan, the police said.

Sweeping Arrest of "Red" Teachers in Nagano

The press ban was lifted in Tokyo, Sept. 15, on the arrest of nearly 200 elementary school teachers in Nagano Prefecture in a series of raids made between January and June this year on charges of having carried on subversive activities. It is alleged that these "red" teachers, using their professional position, made efforts to inculate Communist ideas into school children. Seventy-six out of the total arrested were formally indicted for having taken part in Communist activities, and formal trial of the case will be shortly opened.

Tokyo "Lumpen"—the Counterpart of America's "Hoboes"

An article in a recent issue of the *Japan Advertiser* discusses the problem of the "lumpen" in Tokyo. The word "lumpen" (it is in the plural) is really German, synonymous with the American slang "hoboes"—literally "rags." The Japanese "lumpen" are divided into two classes those who have a lodging house and those whose canopy is the high heavens. Free doss-houses are provided by the city, the Tokyo prefecture and by private charity, a total of about 30 places. Nearly 2,000 "lumpen" daily lodge at the doss-houses, paying a mite or two for the cover charge, while about 1,100 seek lodging gratis, both provided by the city, while 2,000 are provided for by the prefecture and private organizations. The others, who bring the present total of lumpen up to 7,000 sleep under the stars. In 1924, a survey undertaken by the city's Social Bureau of twilight lumpens showed a total of only 271, while in the following year it was found the total had increased to 380. The third survey in 1929 found the total had risen rapidly to 1,799, and has now reached the 2.000 mark. Beggars are not "Lumpen" according to Mr. Kusama, the head of the Bureau, because they are professionals who go at their begging like a business, and although they sit before the Kwannon Temple seeking the pity of the streaming public, they do not come under the lumpen category. "Lumpen" have no ambition in life, have no ideals to strive for, as they have no education in knowledge or letters, but are content with hand-to-mouth living. That is why they present no danger in the matter of social movements, Mr. Kusama said.

The Efforts Towards a Unified National Policy

With a view to clarifying its stand in the present emergency situation, the Minseito party which is the second largest party in the Japanese House of Representatives, is planning a political campaign throughout the mainland on a large scale. The president of the party, Baron Wakatsuki will lead the campaign which will probably begin with a general meeting to be held in Nagoya on November 11.

The army members of the Supreme War Council met in conference in Tokyo, Sept. 13, when War Minister Araki reported the result of his conversations with the Premier, Finance Minister, Navy Minister and Minister of Agriculture and Forestry, regarding the questions of a unified national policy and appropriations for the defence of the nation. It was reported that the War Councillors promised to give an unflinching support to the War Minister and place their confidence in him regarding the establishment of a unified national policy.

General Araki, the Minister of War, is remarkably active in canvassing for a unified national policy. He followed up a recent interview with Premier Saito by a four hour conversation with Finance Minister Takahashi on September 9. He then saw Mr. Shigemitsu, vice-Foreign Minister. On Sept. 12 General Araki again saw Premier Saito, Admiral Osumi, Minister of the Navy, and F. Goto, Minister of Agriculture. All his colleagues whom he has so far approached are said to have approved his suggestions.

Eight Hundred Million Yen for National Defense

As the result of a series of conversations between the Finance Minister and the War and Navy Ministers regarding the next fiscal year's budget for the replenishment program of the Army and Navy, the Finance Minister, Mr. Takahashi is reported to have given his consent to the appropriation of 800,000,000 yen to meet the needs of national defense. It is estimated that when this appropriation is included, the next year's fiscal year's Government budget will total Yen 2,200,000,000.

The New "Kultur"

The Japanese Foreign Office has decided to create an International Cultural Bureau during the next fiscal year, provided the required expenditure for the initial year, amounting to Yen1,700,000, which has been submitted to the Finance Minister, is approved by the forthcoming session of the Diet. Besides unifying the cultural enterprises, which have hitherto been going on under the projected Bureau, the Foreign Office proposes to promote the establishment of an influential association, which will probably be named the Japanese Culture Central Association, to help forward the Government's cultural policy in its international bearings. The present idea of the Foreign Office is that two cultural attaches should be detailed to America (Chicago and New York), one each to Britain, France, Germany, Brazil, Argentina, China and Australia.

Britain Suggests that France "Ease Up" on Germany

The sundry preliminary talks regarding disarmament held in various parts of Europe during the week have not been very encouraging.

In the hope of arriving at a basis for a common disarmament policy the British Under-Secretary for Foreign Affairs, Captain Anthony Eden, met Edouard Daladier, the French premier, at the Quai d'Orsay in Paris Sept 18, and attempted to persuade him, "to grant a little disarmament on account" as a gesture towards Germany.

The possibility of Germany following Japan's example and withdrawing from the League of Nations is foreshadowed in connection with the Anglo-French disarmament talks at Paris. The Berlin newspapers express the hope that Great Britain will not be "deluded by French subterfuges."

In connection with the Anglo-French disarmament conversations in Paris, the Paris newspapers express the opinion that, in view of the latest speech of the German Foreign Minister, Baron von Neurath, in which he emphasized Germany's right to re-arm, the French should demand that a period say of five year's should be decided upon for the effective supervision and control of all armaments. The fundamentals of the French attitude are that there shall be no rearmament of Germany; no disarmament for France for five years in order to make sure that Germany is keeping faith; and universal international control of armaments. The only point on which France is likely to yield, a recent Paris telegram stated, is Germany's probationary period. It is understood that Britain is contriving that France shall promise to disarm to Germay's level at the end of the period. A vast demonstration took place Sept. 17 in Schneidemuhl, a town on the Polish frontier, when the Protestant Bishop Bossenfelder, delivered a speech in the course of which he said: "Let us be unyielding in our struggle for the German soul. When it is the question of God, we do not accept any compromise. Let us fight and die with the conscience that it was God who made grace by giving us our fatherland." Germany is tired of being the pariah among nations, declared Dr. Wilhelm Frick, Minister of the Interior, at a demonstration in Rudolfstadt, Sept. 17 of 80,000 members of Hitlerite youth.

British telegrams from London stated that Americans remain favorable to the reduction of armaments complemented by the establishment of a system of general control but ready to take into account any new elements which may be introduced into the situation at the Paris parleys.

Quo Tai-chi, the Chinese Minister to Great Britain, was scheduled to depart for Geneva during the week to attend the meeting of the Assembly of the League of Nations whereChina will ask for the effective enforcement of resolutions pertaining to the non-recogition of Manchukuo. Mr. Quo will also participate in discussions on the subject of disarmament.

No Japanese delegates will attend the meeting of the Assembly, in pursuance of Japan's decision to withdraw from the League. The non-recognition of Manchukuo was decided upon at the League assembly meeting early this year when all members of the League except Siam voted to withhold recognition.

Japan to Have Consul General at Geneva

Japan's attitude toward the 1935 disarmament conference is being discussed by a commission in Tokyo. The Foreign Office is represented on the commission by S. Togo, Director of the European-American Bureau; S. Kuriyama, Director of the Treaty Bureau; E. Amo, Director of the Intelligence and Publicy Bureau and Secretary R. Sakamoto. The Navy office's representatives include vice-Admiral Sankichi Takashi. Vice-Chief of the Naval Board of Command, Rear-Admirals M. Hibino, Z. Yoshida, S. Shimada, S. Tsuda and Captain S. Iwamura. Representatives of the War Office are Lieutenant-General Kenkichi Uyeda. Assistant-Chief of General Staff, Major-General S. Yamaoka, Director of the Military Affairs Bureau, Major-General E. Tojo. Major-General T. Hashimoto. Major-General M. Furusho and Colonel H. Yamashita.

A recent Tokyo message stated that Japan intends to try to work in co-operation with the League of Nations as a non-member following her withdrawal in 1935 in connection with the League's various conferences regarding World peace.

The Japanese Foreign Ministry has decided to give up the Secretaryship of the League of Nations at Geneva and to establish a Consulate-General there. A Consul-General, two Consuls and two secretaries will be shortly appointed for the new Consulate-General. The Office of the Japanese Secretaries of the League of Nations in Paris will be renamed "the International Conference Office;" J. Itoh will head that office. Yen 130,000 is being set aside to establish the new office.

Japanese Creating Base in Bonin Islands

The fortification of the Bonin islands, in the North Pacific Ocean, was the subject of an article by a correspondent in the London *Times* Sept 19. The article discusses the possibility that the Japanese intend to hold the Ladrones and other Pacific groups and create a powerful base in the Bonins for their protection.

The Bonins are groups of islands situated in the north Pacific Ocean, about 700 miles south-east of Japan. They number about twenty, but ten only of them are of any considerable size. They have been divided into three groups: the North group are called the Parry Islands, and those in the center the Beechey Islands, while the south group are the Bailey or Coffin islands.

The Tokyo Navy Office announced September 13 that the special service vessel, *Manshu*, and the two destroyers, *Kashima* and *Matsu*, have been decommissioned and will be used as target vessels in the target practice shortly to be held off Tokyo.

Pravda, the Communist Party organ, in a recent editorial stated that the increasing Japanese penetration into China is the main cause of the present aggravation of the Japan-American controversy, which finds its expression in the race for naval armaments.

A Suggestion that China Follow Gandhi's Example

Commenting editorially on the enthusiasm aroused among the Chinese public by the recent Native Cloth Exhibition, the *Shun 'Pao* takes an optimistic view of the possibilities of future development of the native cloth trade.

Recalling the antiquated principles of rural economy of former days, the journal states that self-sufficiency was the cherished object of many rural economists in the past. Due to the penetration of foreign capitalism, this principle of self-sufficiency has automatically been undermined, with the result that for the past five decades the country has been placed economically in an almost intolerable position, from which it could neither advance nor extricate itself.

The *Shun Pao* urges that the example and spirit of Mahatma Gandhi be followed in overcoming the difficulties. To this end, efforts should be made to enlarge and extend the native cloth market in the rural districts, and to study the needs and tastes of the people.

Gen. Liu Wen-hui Goes to Sikong to Check Tibetan Invasion

Gen. Liu Wen-hui, who was recently defeated by the Allied Forces of Szechuen, has assumed his new office as Commander of Frontier Defence in Sikong and established his Headquarters at Ya-an, where he is reorganizing his troops to curb the Tibetan invasion of that province, according to a dispatch from Chengtu on Sept. 14. Gen. Liu is reported to have definitely decided to abandon his futile struggle against his nephew and rival, Gen. Liu Hsiang in Szechuen and to devote his attention to the strengthening of China's border defence on the West.

Meanwhile, a report from Nanking states that the Government is paying close attention to the Sikong situation and considering the appointment of a Resident Commissioner to Sikong and Tibet with a view to avoiding future disputes between the two provinces. The Commissioner, when appointed, will be entrusted with the work of developing political, economic and military administrations in that region, it is said.

Reports received by the Mongolian and Tibetan Affairs Commission in Nanking regarding the Sikong Affair are much in conflict and the real situation there is still obscure. According to one report the Commission recently received from its official representative at Tehkeh in Sikong on Sept. 11, it was stated that press messages regarding the Tibetan invasion had been much exaggerated. The report stated that the recent military movements in Sikong were due to misunderstanding caused by the replacement of the Tibetan troops in the Kinsha Valley. The Chinese troops on the east bank of the River were misled by rumors and quickly abandoned several towns on the River in fear of a Tibetan advance. However, they had returned to their assigned posts as soon as they learned the truth. But according to inquiries made at the Commission in Nanking, Shih Ching-yang, Chairman of the Commission, declined either to confirm or to deny the above report, but professed ignorance of the real situation pending receipt of detailed reports from Commission's representative in Sikong.

Commenting on the Sikong situation under the heading of "Sikong and Gen. Liu Wen hui," an editorial in the *Central China Daily News* at Shanghai on Sept. 12 urged Gen. Liu to proceed to Sikong with his troops and uphold Chinese authority in that province by curbing the Tibetan invasion. The paper pointed out that Gen. Liu had always been interested in the strengthening of China's border defence on the West and that the present trouble in Sikong would be a best opportunity for him to ingratiate himself to the country and redeem his past misneeds. The paper further reminded him of his recent telegram to the effect that he had determined to give up further civil strife in Szechuen and to transfer his troops to Sikong for garrison duty, and expressed the hope that he would fulfil his promise. Historically for more than two hundred years, the paper said, Sikong has been under Chinese control, but due to the neglect of the Chinese Government as a result of the incessant civil wars in China, the relations between China and Sikong have become so loose that Sikong has assumed a status of semi-independence. The situation is now even worse, as the Tibetans are becoming aggressive. Chinese authorities cannot reach the other side of the Kinsha River, the article continued, although nominally it is Sikong territory. The Tibetans in Sikong have joined up with the Tibetans in Tibet Proper and are planning to oust Chinese authority from that province entirely by force of arms.

In another editorial on Sept. 19, the paper made a historical study of the boundary dispute between China and Sikong and pointed out the significant developments since 1890, when the Tibetan-Indian treaty was signed. Tibet has been under Chinese administration for more than 200 years, the article stated, and during this period, though there were occasions of differences between China and Tibet, their relations have never been so serious as today. Ever since the conclusion of the Tibetan-Indian Treaty in 1890, the Tibetan question has become an important diplomatic issue and ever since, the dispute has continued between China and Tibet on the boundary question. Emboldened by the support of a foreign power, the article stated, the Dalai Lama is demanding the whole district west of Tachienlu to be demarcated as Tibetan territory, that is, he wants to control the entire Sikong province. He made this same demand in 1914, but it was rejected by the Chinese Government. Now, he is trying to realize his ambition by force of arms. If the Dalai Lama captures Sikong, the article pointed out, then the boundary between China and Tibet will be in Western Szechuen and Sikong as a Chinese province would no longer exist.

Tracing the history of the boundary disputes from the Manchu regime to the present, the paper commented as follows:

"During the Manchu Dynasty, Kiangta, in Tibet, was marked out the boundary between Sikong and Tibet. At Kiangta a Tibetan and a Chinese commissioner were stationed to take charge of the administrative affairs on the border district and stone tablets were erected to show the boundary mark. The area east of Kiangta was first known as Chuanpien and later as Sikong. The boundary has remained unchanged during the last two hundred years.

"But during the Simla Conference in 1905 the British offered a compromise plan and the Chinese authorities not knowing the exact situation in Tibet and Sikong, permitted Tibetan influence to extend as far as the Kinsha River. In 1918 the Tibetans attacked Sikong. As the Szechuen generals were then engaged in civil war, the Tibetans were permitted to advance as far as Pa-an, Yenchin and Chanhua, which represented more than half of Sikong.

"This situation, however, has never been recognized by the Chinese Government. There is still room for China to redress it. What China should do to-day is to insist on the old boundary line at Kiangta, although Tibetans in Sikong have joined up with the Tibetans in Tibet and are planning to oust Chinese authority from their province."

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Tibetan Invaders Repulsed by Yunnan Troops

The situation in North-west Yunnan created by the recent Tibetan invasion of Chungtien has eased down, according to reports from Yunnanfu, capital of the province. Gen. Lung Yun, Chairman of Yunnan Provincial Government and concurrently Commander of the 10th Route Army, in a telegram to the Central Government on Sept. 17, reported that the Tibetan tribesmen who invaded Chungtien have been driven out of the city by the Yunnan Provincial troops and that the situation in the border districts has returned to normal.

A *Sin Wan Pao* dispatch from Yunnanfu on Sept. 16, stated that Chungtien was invaded by Tibetan tribesman on August 20 and captured on August 22. As the city was undefended and the attack was not anticipated, the Tibetans entered without meeting any opposition. The dispatch added that the invading Tibetans numbering more than 5,000 were not regular Tibetan troops but belong to a special tribe which lives by hunting.

The Tibetan invasion of Yunnan has aroused considerable attention in the Chinese papers and become a subject of many editorial comments. Pointing out that the neglect of frontier affairs on the part of China and the territorial designs on the part of the foreign imperialists have combined to produce the present critical situation in the border districts of China, the *China Times* in its leading article on Sept. 16 commented the Tibetan invasion of Yunnan in following paragraphs:

‘It is true that the claws of foreign imperialists are closing in on China every day, but China is to blame for inviting them. Had China been better prepared such things could never have happened.

"The foreign imperialists have been doing their utmost to investigate the land which they desire to possess. On many occasions they encountered unsurmountable hardships which sometimes cost them their lives, yet nothing seems able to prevent them from carrying out their plans.

"On the other hand the Chinese Government has completely neglected the frontier districts and left them entirely at the mercy of the neighbouring Powers. Therefore we can well regard the Government as inviting such foreign aggressions.

"China has had frontier troubles since 1926, when Outer Mongolia declared independence and joined Soviet Russia. In 1931 Manchuria was occupied by the Japanese and this year they captured Jehol without fighting. For a time Peiping was threatened with a Japanese occupation. Yet our authorities are still *talking* about national defence.

"Recently internal troubles developed in Sinkiang and Kweichow, while the Government and the Cantonese leaders are still at loggerheads over an internal problem of the Party. These leaders lay too much emphasis on their own interests and seem to know nothing about national defence, in spite of the critical condition of our country.

"At this moment the Tibetan invasion of Sikong and Yunnan should not be overlooked. It is a recognised fact that, although Tibet has been Chinese territory for many years, the Chinese Government did nothing to develop that land. But the British are doing their utmost to implant their influence in that territory and are developing it along various lines. What the British have done in Tibet has borne fruit. Therefore it is not unlikely that some day the Tibetans may join hands with the British and declare independence from China. It will mean a further loss of 900,000 square miles of China. Have those who are supposed to take charge of frontier affairs overlooked the seriousness of the Tibetan situation?"

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Secret Soviet-Sinkiang Agreement Discovered

As a startling revelation in China's foreign relations, the General Staff Department at Nanking on Sept. 14 announced the discovery of a secret trade agreement between Soviet Russia and Sinkiang which General Chin Shu--jen concluded with the Russian Government when he was chairman of that province. General Chin has never reported the existence of the document to the Central Government and its revelation was made only when the Government recently received a petition from the Sinkiang people embodying a copy of the agreement. The document was concluded on October 31, 1931 and consists of seven articles. According to a study made by the Staff Department, the agreement contains many points which are prejudicial to the sovereign rights of China and should be declared null and void. A summary of the document, as reported by the *Min Chun News Agency* at Nanking, is as follows:

Article 1 of the Agreement provides that trade relations between the two countries shall be conducted by adhering to all the existing laws and regulations of the two countries.

Article 2 states that Soviet Government shall permit Sinkiang merchants to export Sinkiang products to Russia freely, with no limitaton whatsoever.

Article 3 permits Soviet traders absolute freedom of domicile and in the conduct of their trade at Tihua, Anchen, Ili and Peichen and that Soviet traders shall also have the right to send their agents to carry on business at different places in Sinkiang. Soviet officials and nationals are also given freedom to travel in Sinkiang free from the interference of the local authorities so long as they abide by the laws and regulations of the land.

Article 4 declares all trade contracts signed between the Soviet and Chinese merchants shall be registered at the government office within five days of signature. In case a dispute shall arise between the two parties the authorities shall give a just settlement to the issue.

That Soviet nationals in Sinkiang shall pay the same taxes and duties as the Chinese themselves, in accordance with the laws of the land, is stipulated in Article 5 of the agreement, which also provides that Soviet nationals must pay additional taxes if the law so demands.

Article 6 stipulates that Soviet Russia shall provide Sinkiang with all machinery and implements necessary for the development of the province and the Soviet authorities shall help in establishing electric plants and various factories, as well as in developing agriculture and industry and shall supply all necessary machines for the said purposes. Soviet Russia shall also supply experts and train Chinese engineers in the development of the province.

Article 7 states that Chinese goods destined to Sinkiang or Sinkiang products destined to China shall have the right to pass through Soviet territory.

It is said that, with the exception of the Seventh Article which the Soviet Government refused to carry out, all the provisions made in the other six articles are now in force. Article 7 was rendered null and void by an annex to the agreement which said that the Sinkiang Government had taken note of the refusal of the Soviet Government to accept Articles 7 of the Agreement because it was against the law of Soviet Russia.

According to a telegram from Nanking on Sept. 11, several other secret agreements between Sinkiang and Soviet Russia had also been concluded during the time Gen. Chin Shu-jen was Chairman of Sinkiang, aside from the one which has just been made public. The Government is now studying the question carefully, planning to obtain their nullification as soon as the texts of the documents have been found by Dr. Lo Wen-kan in Sinkiang.

Gen. Sun Meets with Opposition in Chinghai

Gen. Sun Tien-ying, the newly appointed Land Reclamation Commissioner in Chinghai (Kokonor), is meeting with serious opposition from both the authorities and the people in that province, as he is preparing to proceed to Chinghai to assume his post, according to reports in Chinese papers. A telegram from Nanking on Sept. 14 stated that representatives of various public bodies of Chinghai called on Wang Ching-wei, President of the Executive Yuan, on that day and urged that Gen. Sun should not be permitted to proceed to Chinghai with his troops, pleading that Chinghai is unable to support an army of 50,000 men under Gen. Sun's command. They also requested that a certain portion of the money from the American wheat and flour loan should be set aside for the development of Chinghai.

A recent dispatch from Peiping reported that the advance of Gen. Sun's troops to Chinghai is being checked by the hostile attitude of the Chinghai authorities and that two brigades of Chinghai troops have arrived on the Ninghsia border with the intention to prevent Gen. Sun's men from entering the province by force of arms. But Gen. Sun has definitely decided to ignore the opposition and will continue his march westward armed with his official appointment from the Central Government. It is feared that trouble may develop between Gen. Sun and Chinghai authorities if both parties refuse to concede from their respective stands.

According to a Taiyuan telegram on Sept. 5, Gen. Sun left there for Paotaochen on the previous day after having obtained $250,000 and a large consignment of grain from the Shansi authorities. Gen. Sun's troops at Paotaochen have received instructions to proceed westward to Chinghai as soon as Gen. Sun himself reached there.

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Sinkiang Situation Improves Following Arrival of Dr. Lo at Tihua

Dispatches received at Nanking during the week from Tihua, Capital of Sinkiang Province, reported that Dr. Lo Wen-kan, the Government's Pacification Commissioner to Sinkiang, has created a very favorable impression among both authorities and the populace of that province and has been accorded a cordial welcome by all sections of the community there.

On Sept. 5, he was tendered an official reception by Gen. Sheng Shih-ti and Liu Wen-lung, respectively Defense Commissioner of Sinkiang and Chairman of Sinkiang Provincial Government. Gen. Sheng and Mr. Liu were formally inducted in office on the 7th, when Dr. Lo administered the oath and delivered a speech of admonition on behalf of the Central Government. The ceremony was witnessed by local officials of Tihua and consular representatives, among them being the Soviet Consul-General at Tihua. As an indication of the popularity which Dr. Lo has won among the people in Tihua, a mass meeting was held on the 8th by the Mohammedans to welcome him—an honor rarely shown to Chinese leaders.

On Sept. 9, Dr. Lo visited Turfan in northeastern Sinkiang and was given a big ovation by Gen. Ma Chung-ying, the rival of Gen. Sheng Shih-ti in Sinkiang, and the inhabitants there. As a special mark of respect to the Government Commissioner, Gen. Ma travelled 10 miles outside the suburb to welcome Dr. Lo. On the 10th, Dr. Lo received representatives of the Mohammedans as well as officiers of the Army under Gen. Ma Chung-ying and explained to them the solicitude and concern of the Government for the welfare of the people of Sinkiang. Gen. Ma in reply said that he would never waver in his loyalty to the Central Government. He assumed office as Garrison Commander of the Eastern Route on the same day. On the 11th, a mass meeting was held to welcome Dr. Lo, in Turfan attended by over 1,000 people. In the evening of the same day, a deputation of one hundred, representing the Mohammedans of Turfan, called on Dr. Lo and submitted a petition to him. Dr. Lo accepted the petition and promised that the Central Government would do its best to ameliorate their condition. He was loudly cheered by the delegates. Dr. Lo returned to Tihua on the 12th.

According to a latest dispatch from Nanking, Dr. Lo left Tihua on September 18 for Tachen, from which city he will proceed to Semiryetchensk to meet Dr. W. W. Yen, Chinese Ambassador to Soviet Russia. The latter left Moscow on September 15 to go to the borders of Russian Turkestan to meet Dr. Lo. The two Chinese statesmen will confer on the future diplomatic relations between Russia and Sinkiang, after which Dr. Lo will visit Eli and south Sinkiang.

A telegram from Nanking on Sept. 17 stated that the Government has decided to appoint a Commissioner to handle the foreign affairs in Sinkiang and is looking for a suitable man to fill the post.

Gen. Li Tu, former Commander of Chinese Volunteers in Kirin, who is reported to be proceeding to Sinkiang to resume command there of his troops will postpone his depature because of the opposition by the Sinkiang authorities, according to a report in *China Times* on Sept. 13. It is said that Gen. Li's troops who are being scattered in Sinkiang and in North China will be soon reorganized into the regular Chinese Government Army with Gen. Li in command. Gen. Li will first visit North China to investigate the conditions of his men there and may proceed to Sinkiang later to inspect those in that province.

According to a telegram received from Tihua on Sept. 14, that city is now experiencing an acute shortage of cash and there is practically no coin in circulation on the market. All payments are being made with banknotes, which are accepted at a much depreciated value. One silver dollar is worth fifty dollars in notes in Tihua. A clerk in the Tihua Government office is receiving a monthly salary of $3,000 in notes, but this is equivalent to only $60 in cash.

Has Japan Increased C.E.R. Offer by Twenty Million Yen?

Following a report that the Japanese-Manchurian delegation had increased by twenty million yen their original offer for the Chinese Eastern Railway, Moscow *Izvestia* recently expressed the opinion that there is a chance for the eventual success of the negotiations unless this represented only a "mask for continuation of the double-faced policy and for further promotion of adventurous plans."

J. R. Young, general manager of the *Japan Advertiser* told the *New York Herald* in Paris last month that in the end the Russians will be forced to sell the C. E. R. "inasmuch as if they don't sell it, the Japanese will build a parallel road and cut the Russians out of business."

Seven petroleum tank cars and eight benzine tank cars owned by the Ussuri Railway were seized by Manchukuo at Pogranichnaya recently. When the Soviet representatives lodged a protest with Li Shao-keng, governor of the Chinese Eastern Railway, he rejected the demand outright on the ground that more than 3,100 cars of the C.E.R. are still being detained in Soviet territory.

The Japanese Ministry of Railways has recently been approached by the Manchukuo Government, asking that some 2,000 railway workers, expert in both technical and railway matters, be placed at the disposal of Manchukuo from the Japanese Government railways.

The South Manchuria Railway Company, Dairen, Sept. 12, announced a new plan for raising the status of its offices at Shanghai, Canton and Peiping. Shinji Sogo, the Director of the Railway, has been invited by capitalists in Chekiang to go there and it is said he will proceed to China shortly.

Soviets Strengthing Army in Far East

Japanese military circles say that the Soviet Government is strengthening its army in the Far East in view of unfavorable development of the Soviet-Manchukuo negotiation in Tokyo regarding the sale of the Chinese Eastern Railway. About 10 army divisions, on a war-time footing, are distributed along the Soviet-Manchukuo border as far as Vladivostok and more than 20 super-heavy bombers are disposed at strategic points along the border, the report stated. Twelve submarines were reported to have been built at Vladivostok. They can easily close the route between Manchuria and western Japan, according to Japanese Naval officials.

Wholly inadequate protection of the Chinese Eastern line, numerous violation of railway rules by the railway guards and various military groups, frequent acts of violence against railway employees, incessant murders and robberies committed by bandits as well as by military detachments may lead to suspension of the passenger traffic on the eastern line and to the interruption of communications between the C.E.R and the Ussuri Railway if adequate protection measures are not taken by Manchukuo authorities—these are among the points brought out in documents recently presented by the Soviet part of the railway management to the board of the C.E.R.

Renewed outbursts of bandit activities along the eastern line of the Chinese Eastern Railway have caused the Soviet Consul-General in Harbin to file a further protest with the Manchurian authorities, demanding urgent measures for the establishment of general safety conditions along the railway.

Soviet Citizens Apply for Manchukuo Citizenship

The rapidly changing situation in North Manchuria is stated to have an important influence on Soviet citizens in that regon. The number of Soviet citizens applying for Manchukuo citizenship is increasing and there is a growing tendency of Soviet parents to transfer their children to the schools maintained by the White Russians.

A vast scheme to transform the uninhabited and barren wildernesses of ice-bound Siberia into a fertile garden by diverting a warm ocean stream, has been evolved by a Russian engineer. According to reports from Russia, the authorities are seriously considering the project.

Fifth National Congress May Be Postponed

Generals Chen Chi-tang and Li Tsung-jen last week sent a joint telegram to the Nanking Government formally moving for a postponement of the Fifth National Congress of the Kuomintang. C. E. C. members in Nanking are quoted as being of the general opinion that the Congress should be postponed for six months.

The polititical disturbances in the South-west have gradually died down and an understanding has been reached between General Chen Chi-tang and the Party leaders who recently went to Hongkong in a body as a protest against General Chen's indifferent attitude. Teng Cheh-ju has returned to Canton and Chou Lu has also agreed to return to his post as President of the Central University.

The Headquarters of General Chen Chi-tang has placed an order for twenty tanks with a British firm. They are expected to arrive in Canton by the end of this month.

What the Southwest Should Do

The *Central China Daily News* (Nanking) comments:—"With the issuance of a joint telegram by Generals Chen Chi-tang and Li Tsung-jen advocating a postponement of the Fifth National Congress and the Government's readiness to meet their demands half way, the situation in the South-west has taken an important turn. Now is the time for the leaders in the South to begin all over again. They must place the welfare of the nation before their own interests. Since the Government has already expressed its willingness to accept their proposal, the South-west should pledge unreserved support to the Government and present a united front against foreign aggressors."

The Peiping *Yi Shih Pao* comments:—"As a result of the Kuling discussions the National leaders have decided to postpone the Fifth Plenary Session of the Kuomintang committees scheduled for next November. From one standpoint, the postponment of the Fifth Plenary Session may be interpreted as a temporary postponement of the introduction of constitutional government: from another it may be regarded as a temporary abandonment of Party rule. Reports has been current for some time that the Fifth Plenary Session would fix a date for the convocation of a People's Conference, liquidate the period of political tutelage and discuss the introduction of constitutional government. After the Third Plenary Session last year there was a strong movement for the early termination of the period of political tutelage. While the postponement of the Fifth Plenary Session admittedly delays the introduction of constitutional Government, it cannot be regarded as a prolongation of Party rule. When the people cannot exercise their political rights, there can be no question of democratic government, and when the members of the Kuomintang cannot send delegates to the National Delegaties Congress, there will be no Party government in the Kuomintang acceptance of the term. In other words, the decision of the Kuomintang to postpone the Fifth Plenary Session represents a decision to do away with Party government and constitutional government for the time being. The government of the future will take a form which is neither democratic nor of the Kuomintang brand of Party government. Only the future can reveal what result this form of government will produce."

The *Peiping Daily News* comments:—"Internal reconstruction is undoubtedly the key to the national salvation of China, and if we ignore the political motives of General Chen and his two associates, their demand that the proceeds of American Cotton Loan be employed only for constructive and productive purposes should meet with general support."

U. S.-Japanese Naval Expansion Rivalry Disturbs Japanese Mind

(By the Review's Tokyo Correspondent)

(Translations from various Japanese Publications)

THE Japan-American naval construction race, has, according to the news articles in leading Tokyo and Osaka dailies, come to arrest keen public attention, especially since toward the end of August. During the first week of the month of September dailies throughout the country vied with one another in publishing telegraphic reports on the issue, though no comment worthy of the name was to be noticed, except the *Tokyo Nichi Nichi* and *Osaka Mainichi,* which, quite unlike others, continued commenting on the same affair for five consecutive days.

The issue has been one of the favorite topics since the London Naval Conference and the Washington Conference. But the fresh impetus this time, as is insisted on by Matsuji Muneo in the September 10 issue of the *Asahi Weekly* (Japanese weekly paper published by the Tokyo and Osaka *Asahi* Publishing Company), can be traced to the Grand Naval Review which took place near Tokyo toward the close of August, the realistic air-defensive demonstration in the second week of August and the sensational public hearing of the May 15 case (Premier Inukai was shot dead by a party of military officers toward the evening of May 15, 1932), because these incidents not only stimulated the American nerves but served to add fuel to the flame of militarism in Japan. As another element responsible for raising the news value of the U. S.-Japanese naval construction race we may mention the Washington telegram concerning the construction of a new naval station on the Pacific coast (published on Aug. 11 in Japanese papers) and the prolonged stay on the Pacific coast of the U. S. Pacific Fleet.

(No serious comment appears in papers other than the *Tokyo Nichi Nichi* and the *Osaka Mainichi.* The following are from these two sister papers).

⁂

Open Door Policy vs. Nippon Security.—According to an American admiral, the Monroe Doctrine requires only a defensive navy as its watch-dog, but in order to make other nations respect the Open Door Policy, the United States must possess a navy capable of offensive action. This view is not merely the private opinion of one American big navalist. The much-discussed "ring formation" is a strategy adopted by the U. S. navy in moving its huge armada safely across the Pacific Ocean. The very fact that America is insisting on enjoying 40 percent superiority over Japan's naval strength, while Nippon is asking for only a 10-7 ratio, shows that what Washington is after is an assurance of naval victory many thousands of miles from the home waters. Following the American naval arithmetic, if Japan wants to invade American waters, Japan must possess 40 percent superiority over the U. S. navy to be certain of victory. To show that Nippon has no such ambition, Tokyo is not demanding such a preponderant strength—nay, not even parity, to assure a 50-50 chance in both offense and defense. All that Japan is asking is a navy 70 percent of the American strength to have a fighting chance of defending our shores in case the largest concentrated navy in the world happens to invade the Far East. If America has a right to insist on the 5-3 ratio to assure her victory in the Far East, has not Japan more right to demand that this American superiority be reduced from 40 to 30 percent for the sake of the Empire's security?—Aug. 23.

Difference of 10 Percent.—A naval ratio difference of 10 percent seems to hold the key to the amicable relations between the United States and Japan, at least for the next two or three years. Washington is still standing pat on the claim that America is entitled to her present 40 percent superiority. Tokyo is insisting that Uncle Sam has no right to enjoy such naval preponderance, which is an open threat to the peace of the Western Pacific. This debate over the naval ratio is nothing new. It has been going on ever since the Washington Conference. It was one of the chief topics at the London naval parley, and is constantly cropping up whenever disarmament or naval questions are discussed. It is an accepted principle of naval strategy that a 70 percent navy can meet a 100 percent armada on equal footing if the latter is under the disadvantage of fighting away from its home base. It is an equally well known constant in naval calculations that a 60 percent navy can never win even in home waters. This is why Japan is insisting on a 70 percent navy, while America is equally determined that the Nippon strength should remain 60 percent. America may say that she has never built up to the full treaty allotment, and that Japan is actually enjoying a more than 70 percent position. If this is true, it is all the more reason why Japan should be allowed that 10-7 ratio in black and white in the treaty. Who is going to guarantee that the United States will never build up to the full treaty limit? Is not Washington actually building up to her quota?—August 24.

Ideal Naval Strength.—An ideal navy for any nation to possess is one fully adequate to meet the national defense requirements, but not too strong to menace the security of nations many thousands of miles away. Looking over the present Pacific situation, the American navy is not strong enough to invade the Far East. Neither is the Japanese navy powerful enough to attack the largest concentrated fleet on the other side of the ocean. For the sake of peace we could not hope for any better situation to preserve.—August 25.

Why Naval Pact Needs Revision.—The London naval accord requires revision because it allowed the American navy to expand while it did not permit Japan to maintain even her status quo strength. The pact gave America so much room for expansion that not even the present gigantic construction program approved by the White House will put the U. S. fleet up to the treaty limit, as Washington says. As to the proposed Japanese construction plan, it must be realized even by our critics, that it is practically a 100 percent replacement program. With the exception of a plane carrier in a category which is still under the treaty tonnage, for every ship that Japan builds, she must correspondingly scrap an equal tonnage of older vessels, or make them into training ships as allowed by the treaty. The world must know that while Japan may be modernizing her navy, she is not expanding it. This, however, does not mean that Japan is satisfied with the present ration. She will insist on at least 70 percent strength in the anxiliary classes which consist of vessels purely defensive in nature. The most economical way for both Japan and America to bring about this ratio is for Washington to stop building more ships. If America builds more, so must Japan maintain the present margin of security.

Useless Rivalry in Warship Construction; America's Reflection Needed

(By Iichiro Tokutomi, Tokyo Nichi Nichi, August 18)

The Imperial Japanese navy is a navy for self-defensive purposes. To be frank, it is not a tool to attack the United States but to provide against aggression. Fundamentally, it is a defensive force. And this is because Japan has, besides protecting herself, practically no ambition or evil plot.

The United States can find no reason for making an enemy of Japan; probably she does not regard Japan as one. It is nevertheless a clear fact that the attitude of the U. S. navy on the Pacific coast manaces Japan across the ocean. No Japanese can remain with their eyes closed to this glaring fact.

From the viewpoint of natural resources the United States must be richer than Japan, but the question of national defence can by no means be measured with the scale of wealth. In fact, the problem of national defense is one vital to the country, life and death being dependent upon its strength. Consequently, therefore, Japan can see no way to taking an on-looker's attitude at further construction of war vessels by the United States, even though the nation is aware that by taking the necessary countermeasure she may have to sacrifice much. A saying goes, "A fly has its anger."

We are perfectly in accord with Roy Howard, a prominent press magnate, when he remarked, after thorough investigation into the Far Eastern situation, that Manchukuo could not easily be wiped away and accordingly that the standpoint of Japan should be recognized and therefore that improving friendly relations between the two nations is the policy for the United States to choose—hence the necessity for abolishing the discriminatory immigration law.

The Japanese people would never treat the United States with contempt even if the latter had no fighting vessels at all, nor would she bow to her blindly even if she possessed a million dreadnaughts. To think that by constructing a big navy the United States will discourage the fighting spirit of the Japanese indicates that the U.S. fundamentally misunderstands the national psychology of the Japanese.

We are not pleased with the useless competition between the two neighbors for naval supremacy, but it is, nevertheless, true that for about 10 years the United States has stood in an active position against Japan's passive one and the same can be said of the navy construction issue.

Japan Demands Naval Strength Equal to America

(By Sukeyuki Akamatsu, Director of the Japan Office of the League of Nations—Kokusai Chishiki, August number)

The naval ratio for Japan decided on at the London and Washington Conferences is what Japan could not help but accede to and naturally the people entertain at heart gnawing dissatisfaction. What our navy demands is balanced naval strength against the United States. At the present ratio the Japanese people cannot but feel unsafe at the American menace, while the people in the United States are likely to be inclined to take an oppressive attitude toward Japan. The real peace of the Pacific Ocean can be expected only when neither of the two nations on either side of the Pacific is in a position to give menace to the other or to receive it. Roy Howard, an influential American journalist, who returned home from a tour to the East, made public an essay on Japan-American relations through papers in various districts of the United States. He declared that Japan is completely in the grip of militarism and unable to understand American idealism and accordingly that if the United States makes clear her intention to construct the navy up to the treaty limit and, in the case of the abrogation of the the disarmament treaty, to augment tonnage still more, the Japanese people will alter their idea with regard to their relations with the United States. By these remarks the American journalist must have aimed at bringing pressure upon Japan, this being tantamount to demonstrating before the world that it is the Americans themselves who are under the spell of militarism and unable to understand the idealism of the Japanese.

Naval Expansion Fever of the United States

(By Daikichiro Tagawa.—Kokusai Chishiki, September)

We learn that, through the Ishii-Roosevelt talks at Washington, a satisfactory understanding between the two nations has materialized and thus U.S.-Japanese amity has been greatly improved. If such is the case, we wonder what is the need for heated naval expansion competition. In the face of such a rival situation people float gladsome tidings of the advent of unprecedently bettered Japan-American friendship and good-will, which common sense would fail to undstand. We want clear-cut explanations on the affair from authorities of both nations.

It was Mr. Roosevelt, now President of the United States, who mapped out the naval expansion plan in 1916. He assisted the then President Wilson and Secretary of the Navy Daniels in formulating the naval aggrandizing program. But the fact is that it was Mr. Roosevelt himself who took the principal role, although the result of his efforts was made public in Daniel's name. He stood as the expounder in Congress and later attended to the execution of the schedule. Secretary of the Navy Swanson says commenting on the affair, as follows, "President Roosevelt has always been an important supporter of the navy. As I was the Chief of the Naval Commission at the time the navy expansion bill was introduced into the Senate in 1916, I know fully well the situation in those days; it was no other than Mr. Roosevelt who played the most active role in formulating the navy's schedule of 1916 and in building up the present navy." In 1914 when he was not yet made Under-Secretary of the Navy, he made public the following view, "The national defensive program should cover thousands of miles to the east over the Pacific, comprising the Philippines and all the overseas lands where our commercial business is conducted. We must fortify Panama Canal, Alaska, Guam, and at the naval bases of Guam and in the Philippines battle-ships should be stationed. The navy we are to possess should be sufficiently powerful not only to protect the U.S. and dominions but also to discharge its duty at all places where our merchantmen call for business." His interest in the navy is fully well disclosed in these remarks of his. On July 1 of this year he declared in the following vein in addressing the undergraduates of the Naval Cadet School: "I speak to you from the bottom of my heart. Though between ourselves, I attend the ceremony not merely as the head of the American navy but as one of those who love the navy. I sincerely trust that a bright future is in store for all of you, both in public and private life." While thus assuring the young officers of their bright future the President cut the budgetary estimate for the navy down to $275,000,000 from the original $315,000,000 in accordance with his policy at the time of his assuming the reins of the government. This adversely affected the employment situation of the navy graduates, for one half of them had to seek employment elsewhere. Although the step taken by the President can be said to be cynical in appearance, yet never should we overlook his strong will not to let the naval graduates lead the life of stray sheep any longer. His promise to the young officers is taking shape in the form of the present naval construction program and the naval base extension plan. Intentionally he let his naval program go through two diametrically opposed categories of retrenchment and expansion.

Japan Forebears: That Is All

(By Rear Admiral Masaji Hibino, Chief of the Social Education Dept. of the Navy—Yuben, August number)

Generally speaking the disarmament question is many sided, being related to economy, politics, strategy and all branches of national activities. The complex relations existing between the disarmament question and national functions arise from the need of assuring the coexistence of national self-defense and lowering of the national burden. The condition of utmost importance lies in the Powers' limiting the military strength to the bottom degree, in such a way as not to have their feeling of national safety affected by so doing. An agreement which gives uneasiness to some of the member states will eventually become a source of armament of expansion instead of reduction, for there lurks irrationality at the bottom. The most appropriate method to satisfy this condition is to maintain equality of strength at the lowest limit in so far as the navy is concerned. Suppose there are two countries whose military strength is 10-7 or 10-8, how could the one which possesses 70 or 80 percent strength of the other remain unmenaced? The lower the ratio enjoyed by a country the greater must be the menace to her.

Sikh Police Investigator Wounded in Ankle by Fellow Countryman

Fauga Singh, special investigator and interpreter attached to the headquarters of the Shanghai Foreign Settlement police, was shot in the ankle on Sept. 17 by Santa Singh who is wanted on a British Court warrant dated 1930. Santa Singh was concerned in the Gurdwara incident three years ago, when the one Chanan Singh was arrested, to escape later from the police hospital. On that occasion a British Court warrant was issued, but he had not come under local surveillance until this incident occurred. Santa Singh is stated by the principal British newspaper in Shanghai to have been associated in a "minor" way with Indian radicals.

October 10 to Be Celebrated in China in the Usual Manner

The 22nd anniversary of National Independence Day (October 10) will be commemorated in Nanking in the same manner as last year. A memorial service will be held; no holiday will be observed and the various Party and official organs are to function as usual. A decision to this effect was reached at the 88th meeting of the Standing Committee of the Central Executive Committee Sept. 1.

Tin and Opium in the Economy of Yunnan

BY WILBUR BURTON

ONLY through careful study of the native economy of any area is it possible to correctly estimate and appreciate imperialistic enterprise therein. Imperialism does not afflict (at least for long) fundamentally strong countries although, of course, it can bury its fangs in a backward, but potentially strong, country and thereby keep it backward and weak indefinitely. But if a country with adequate resources in men and raw materials ever really develops its strength it is hard to crush unless it acquires some internal weakness.

In the three preceding articles, we have obtained some appreciation of the importance of the Yunnan and the French grip on it, have surveyed the Indo-China base of French Far Eastern imperialism, and have indicated how France is able through her railway into Yunnan to keep the door of the province pretty well closed against all non-French political and commercial activity. Next in logical order is the study of the relations prevailing between the French and the Yunnan provincial government; hence this outline of native economy.

Now economy may be briefly defined as the interreaction of men and natural resources. Wherefore, it is extremely significant to note that the two major items, *and the only two important items*, in the native economy of Yunnan are tin and opium,—with the latter being overwhelmingly dominant. Tin production amounts to about $15,000,000 (Shanghai currency) a year; opium production amounts to not less than $50,000,000 and possibly $60,000,000 a year, exact figures being impossible to obtain since all governmental sources are exceedingly mum about this phase of provincial affairs.

Opium Crowds Out Rice

Yunnan, of course, offers the *possibility* of many other mineral and agricultural items in its economy, and there is, to be sure, considerable production of various foodstuffs, especially rice and corn. But right now rice is being imported from Indo-China because so much land is devoted to the cultivation of opium poppies that not enough is available for adequate rice crops to supply local needs.

In minerals, however, tin is the only one which is worth extracting to any considerable extent under present conditions,—that is to say, it is the only mineral which can be profitably exported. Many other minerals could be exploited for local use if the province were not so backward, or for use elsewhere in China if there were any practical means of transportation except through Indo-China and thence by sea back into China. If the province had an outlet to the Yangtsze valley by the Yangtsze river (that constitutes its northern boundary) or to the China coast through Canton, it could supply many raw materials for the more industrially advanced sections of China. Nevertheless, the mineral wealth of Yunnan does not appear to be as vast as many have supposed.

For example, William A. Wong, E. M., Met. E., M.A., in his book on "Mineral Wealth of China" (The Commercial Press, Shanghai, 1927), paints an extraordinarily alluring picture of Yunnan's underground potentialities. Antimony, coal, copper, "gold found all over the province," "iron in almost every prefecture," mercury, nickel, petroleum, platinum, tin, and some silver and tungsten are enumerated. But Miao Yun-tai, an American educated mining engineer who is commissioner of industries of Yunnan, discounts this picture to a considerable extent. There is, according to Mr. Miao, quite a lot of antimony and silver, but the former does not compare favorably with the deposits in Hunan. (Antimony and tungsten, incidentally, are the only minerals in which China leads world production; in all other minerals, according to the best evidence available, the country is exceedingly poor and thereby very much handicapped in industrial potentialities.)

Minerals Are Poor in Quality

There is also, according to Mr. Miao, a fair amount of lead and zinc available for exploitation. Further, copper exists in appreciable quantities, but the ore is vastly inferior in both quantity and quality to that existing in the American state of Montana alone. Iron is widespread enough, as is shown by the brilliantly red soil in many places, but the ore is so low grade that it will probably never be worth exploiting except, perhaps, for purely local needs. Thus the province is very poor in what, altogether literally, is the backbone of modern industry. There is enough coal for local use, but it is not good coking coal such as would be required for the little iron production possible.

Tin, which will be discussed in greater detail presently, is really not very extensive when compared to the great tin deposits of the world around Singapore and in South America. Approximately 6,000 tons of tin are now being mined yearly in Yunnan, and at this rate of production Mr. Miao estimates the life of the deposits at not more than 40 years.

From this brief survey, it will be seen that Yunnan is not extraordinarily tempting from the viewpoint of its mineral wealth, though it is by no means to be ignored. After all, some day the world will have to depend to a large extent on mineral deposits that are now insignificant when compared to those that are intensively exploited, and hence being used up. It is possible that the French were fooled in Yunnan; perhaps they were lured to obtain their present grip on the province by the belief that it was much more wealthy than it really is. If so, this would explain why they have never made any attempt to exploit its minerals and, whatever may be their future intentions, appear to be in no hurry to annex it. But there can be no doubt that they regard it as worth holding in reserve, and so have stamped it all over with the chop of the Quai d'Orsay.

It is an exceedingly curious fact, and one for which I can find no satisfactory explanation, that the French have never taken possession, in one way or another, of the Yunnan tin mines and exploited them. Tin is one of the essential raw materials of modern industry, and being a component of bronze it has been used for thousands of years. Today the bulk of the world's tin supply is in British hands, except for the vast deposits in Bolivia and in the Gran Chaco over which Bolivia and Paraguay are fighting. Here there has been a long struggle between British and American interests to dominate the Bolivian tin industry.

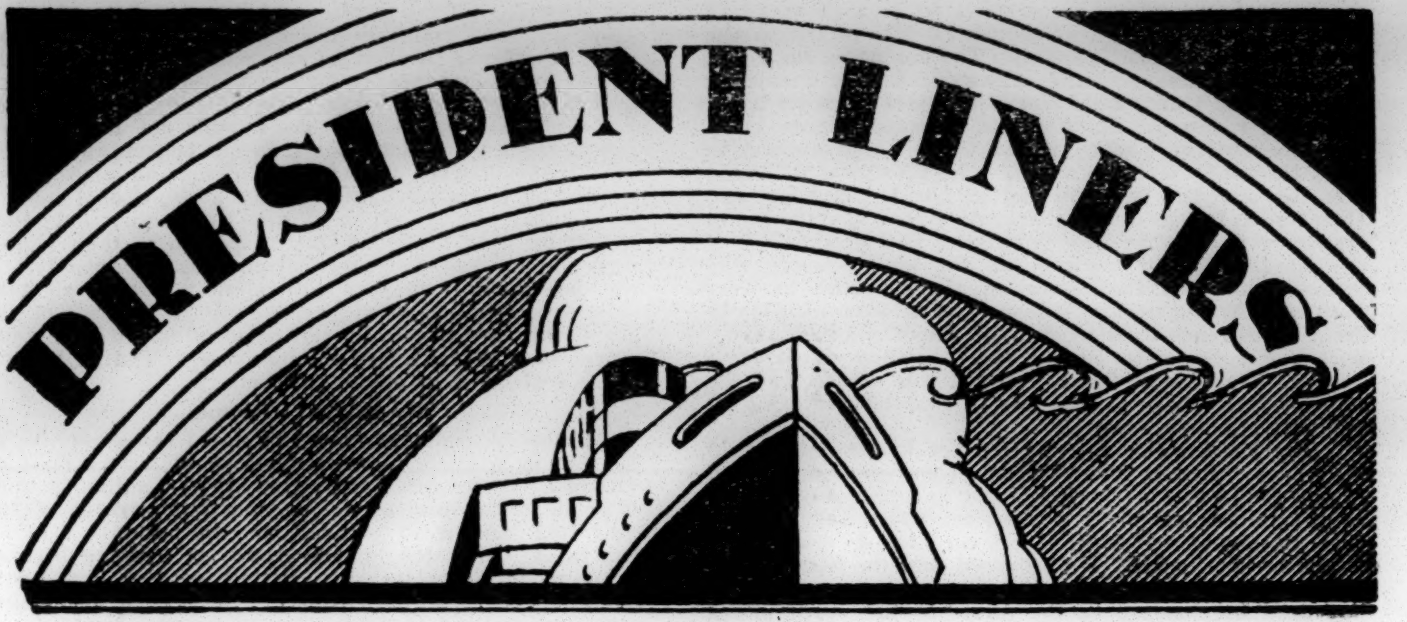
England has mined tin for centuries in Cornwall, where the supply is well on its way to exhaustion, but she has huge deposits that are now being worked in the Malay Straits Settlements as well as large deposits in Australia. France, on the other hand, has no tin mines of her own except some relatively poor ones in Indo-China that, I believe, are not now being exploited to any extent. By all imperialistic logic, therefore, one of the France's first acts upon penetrating Yunnan with her railway early in the present century should have been to grab the tin mines, which are, incidentally, not very far from the Tonkin border. Instead, France has not only never made any known attempt to take possession of the mines, but never except once has she interfered with their operation by others. And she has but rarely bought any of their output, usually obtaining her tin supply from England in the London market.

Varied Uses of Tin

Of course, while tin is an essential raw material in modern industry, including war, no great quantities of it are required. A very little tin will make a lot of tinplate, which is an essential requirement of the canning industry. Neither pewter nor bronze, which require tin, are extensively use at the present time, but tin is a component of Babbitt's metal (together with antimony and copper) which is used for bearings, bushings, etc. in all kinds of machinery. And in chemical salts—stannous oxide, stannic oxide, stannous chloride, stannic chloride, etc.—tin has such varying uses as polishing optical glasses and providing mordants for dyeing and calico-printing. But only a few thousand tons of tin a year are necessary for any great industrial country.

The Yunnan tin mines are located at Kochiu, 20 miles west of Mengtsz, on a bare, granite ridge that is 5,900 feet above sea level. The mines were worked by primitive methods for many years before the imperialistic opening of China, and until the 1911 revolution foreigners were forbidden by law to buy tin in Yunnan, export being entirely in Chinese hands. Nor did the French ever attempt, so far as I can learn, to violate the law.

Development of the tin mines with modern machinery started in 1909 when the Yunnan government and the owners of the land on which the mines are located formed the "Yunnan Mutual Tin Trading Company" with capital of a million taels. German engineers were engaged to



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erect a refinery which could smelt 50 tons of standard tin a day (far too high an estimate) with gas from the adjacent coal field of Takwang. The engineers suggested erecting the refinery at the railway station of Pichichai, the ore to be transported from the mines 21 miles away by aerial ropeway. The Chinese, however, feared to be this close to the French railway, so it was decided to build the refinery at the mines. The plant was delivered from Germany during 1910 and 1911 c.i.f. Haiphong, and the Chinese had to pay approximately 50% of its value to transport it over the French railway to Pichichai.

In 1913, 138,000 piculs of tin were smelted and refined, and then the capital of the company was exhausted. Arrangements followed for a loan of £35,000 from the French-Russian firm of Panoff and Company, *with the refinery to supply tin to Panoff at Panoff's prices.* The Chinese finally rejected this scheme and the refinery closed with a total loss to shareholders. Native tin smelting then resumed.

The French displayed no further known interest in the mines. Shortly after the world war an Englishman named Collison came to Yunnanfu from Singapore with large qualities of silver dollars to induce the Yunnan government to give the Singapore tin interests a monopoly on the ore at Kochiu. He proposed that the Straits government would mint a special silver trading dollar to pay cash for the ore at the mines at the world prices of the day. Whether the French would have allowed the scheme to materialize is questionable; anyway, Mr. Collison died in Yunnanfu before negotiating any contract, and no one followed him to attempt to carry through the deal.

Since that time another Chinese company has been organized under auspices of the provincial government to exploit the mines with modern machinery. A smelting and refining plant has been erected, and a small railway has been built from the mines to Pichichai. S. B. Archdeacon, an Englishman who was long technical manager of the Straits Tin Trading Company, has been engaged to supervise production. The French, so far as I could learn, have absolutely nothing to do with the smelting and refining company, and derive no profit from the tin except for hauling it to Haiphong over their railway; by treaty there is no transit tax on the export of tin through Tonkin. (With this exception, as I suppose is clear to the reader, Chinese goods shipped out of Yunnan through Tonkin is taxed as extensively with transit customs duties as non-French goods shipped through Tonkin into Yunnan.)

Yunnan Tin Sold in U.S.A.

The bulk of the tin produced in Yunnan is now sold to the United States, fetching U.S. $600 a ton.

Such is the history and present status of Yunnan tin production; only time can tell whether France will again register any interest in the mines. Today and for some years past, tin is one of the many things of which there is world overproduction, so France has no immediate economic incentive to bother about the Kochiu mines; perhaps, however, they are secretly earmarked "held in reserve."

Should the French ever ask for the tin mines, or anything else in Yunnan, I cannot conceive of much resistance being offered by the Yunnanese Chinese. They are, with some exceptions, so-opium-soaked, illiterate and backward that they appear downright stupid. Most native commercial enterprise, incidentally, is in Cantonese hands. The governor, and many other high officials, as I shall recount in detail in my next article, are aborigines whom the Chinese call "Lolos." Never in all the areas of China I have visited, have I encountered a people who appeared so utterly hopeless as the mass of the Yunnanese. Not only is stark poverty more widespread—there is always famine somewhere in the province,—but will and energy appear to be at lower ebb than anywhere else I ever have been, not only in China, but in many varied parts of the world. The reason, in large measure, is to be found in one word—*opium.*

Of course, opium is only a part of a vicious circle. Asked why he smoked opium, a Yunnan sedan-chair carrier replied: "Because after a day's work I feel very tired and empty; when I smoke I feel full and fresh." Inhuman toil adds to the woes of poverty; imperialism intensifies poverty; the poverty-stricken find solace in opium; opium increases poverty and, further, reduces will and energy to such an extent than any struggle for improvement becomes virtually impossible. Thus opium makes the vicious circle practically unbreakable. An opium-soaked people are the easiest prey of imperialism.

There are, as is well known, varying views of the effects of opium. Metaphysicians in missionary circles, for example, differ widely on the moral results of opium addiction; some maintain moral degeneration is inevitable while others say there is no appreciable effect on morals. Medical physicians differ on the physicial consequences; some say opium does not injure the body more than an equivalent amount of alcohol. I shall not here discuss any of these viewpoints, but I do not believe anyone can deny that whatever the effect of opium on physique or morals, it is usually fatal to *morale.* Alcohol addicts may suffer from nephritis and cirrhosis, but they frequently fight for what they believe to be their rights, while opium addicts rarely display any pugnacity. It may be that only persons with already low *morale* take to opium; even so, once they are in the clutches of the poppy they are physically incapable of acquiring an improved *morale* under any circumstances. That, I believe, is the real curse of opium in China.

The Blight of Opium

Probably no other part of China—I cannot speak for the remote interior—is as blighted by opium as Yunnan. The province produces from eight to ten million pounds of crude opium annually. At least two percent of the cultivated land is in poppies, and in proportion to its total area, cultivated land is scarce in Yunnan because of the mountainous terrain. Twenty percent of the government budget of approximately $8,500,000 (Shanghai currency) a year is derived from opium. Most of the few wealthy Chinese in the province outside of the military have derived their fortunes from opium,—and the principal source of military squeeze is opium. Nowhere in China is opium cheaper than in Yunnan, retailing from forty to fifty cents (Shanghai currency) an ounce.

In consequence of the various factors enumerated, the use of opium is incredibly widespread. School boys and girls of 12 and 13 years of age smoke; probably at least half of the Chinese population of the cities who are past the age of puberty use opium. "There is at least one addict in every Yunnanfu family," I was very reliably informed. Addiction is not so widespread among the peasants as among the city folk, but it is certainly plenty widespread everywhere except among the aborigines who are relatively free from it.

Nothing whatsoever is being done to check opium production or addiction. Instead, almost every farmer is officially forced to grow a certain amount of poppies each year for, as has already been stated, opium is the life blood of the military.

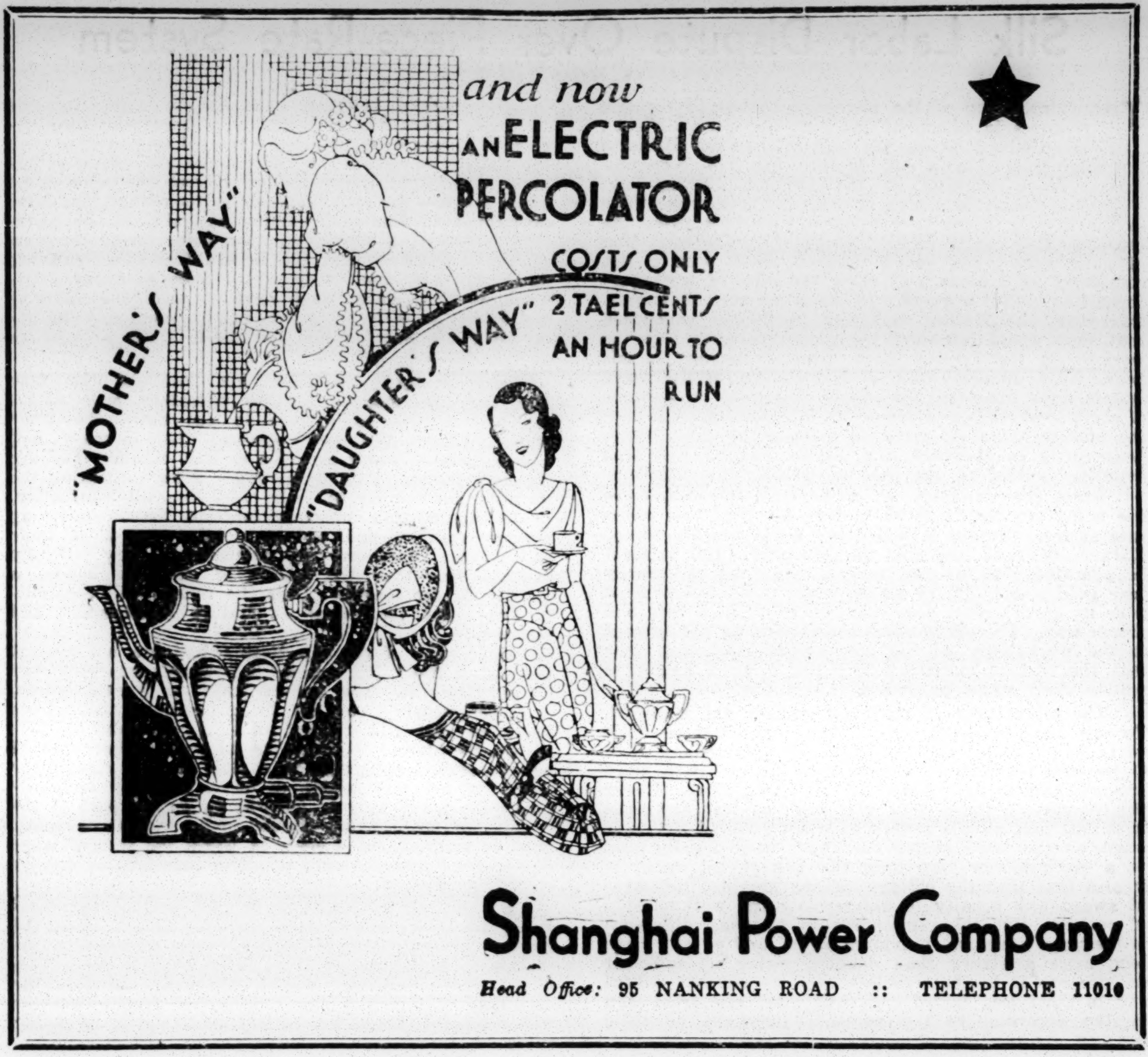
A large part of production, of course, is for export to elsewhere in China, for Yunnan opium is regarded as the finest produced in the republic. The value of the opium export is as great, or greater, than that of tin. The French have nothing directly to do with opium, although it is obvious that their strangle-hold on the province provides the ideal conditions for the state of affairs that exist and, further, they support the military which thrives on opium. This phase of the situation, however, is for subsequent discussion.

The opium exported from Yunnan is transported by horse and mule caravan from Mengtsz into Kwangsi where it is distributed into Kwangtung and other adjoining provinces, some of it being shipped as far as Shanghai since it more popular with smokers there who can afford it than the Yangtsze Valley product. Transportation and squeeze naturally make the cost quite high by the time Shanghai is reached.

From Yunnanfu to Mengtsz, the transportation is by train, but the French will not permit export through Tonkin for fear of smuggling. This is quite a boon to Kwangsi which derives (as I pointed out in a article in these columns sometime ago) one fourth of its budgeted revenues from the tax on opium transit. Populous Kwangtung, which consumes quite a lot of opium, does not produce any. Addiction in proportion to population is nothing like as extensive in Kwangtung as in Yunnan, but Kwangtung has almost six times the population of Yunnan.

So much for tin and opium in the economy of Yunnan. As has been stated they constitute the only important non-French enterprise in the province. There is one other bit of non-French development under foreign technical supervision—the Yao Lung Electric Light Company of Yunnanfu,—and while it is not now of much consequence, and probably never will be as long as the French are in control, its history may be given here for the further illumination it sheds on the obstacles France places in the way of non-Gallic activity.

The light company, with hydroelectric power—which could be developed extensively in small units throughout Yunnan,—started before the world war and is privately owned by Chinese. Its plant of 500 horsepower was in-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stalled by Siemens, the great German firm already mentioned in these articles. Germany then was in a too powerful position for France to oppose. A German engineer was employed to supervise the operations of the company and a German remained on the job until the last year of the war when a French engineer was installed. One German engineer died in Yunnanfu during the war period and neither the French nor the British would allow him to be buried in their cemeteries, but the Chinese owners of the company provided an especial burying-ground and have kept the grave green ever since.

After the war, the company succeeded somehow in getting rid of the French engineer, and a Danish engineer, who was really employed by Siemens, took charge. In 1923 the first extension of 650 horsepower was purchased for the plant. It was bought from Siemens by the Chinese *very secretly* and installed by the Dane. Later another German engineer was able to enter the province and take over.

Due to a large amount of theft of electricity and improper installation of wires, the plant has been very inefficient in recent years, not enough light being available much of the time for reading. So another extension of 950 horsepower was recently decided upon, and this time French influence was sufficiently strong to call for purchase of the new unit in France. However, when the French discovered the company, for financial reasons, would have to buy on credit, they declined the order.

So Siemens is installing the new extension without objection, and due to their long asscoiation with the company they are apparently confident of being paid in full eventually.

The moral of this little story seems to be that the French are quite liberal with other people's credit.

("Imperialistic Politics South of the Clouds" will be described next week by Mr. Burton in the fifth article of this series.)

Suspect Arrested in Murder Case is Korean-Born Cantonese

A controversy has arisen between the Chinese and Japanese authorities concerning Kin Shui-shan, recently arrested in connection with the attempted assassination of Liu Yin-fa, president of the Korean Friendly Society, in Shanghai. Kin was arrested by the water police of the Municipality of Greater Shanghai at the instigation of local Japanese consular authorities from a Chinese steamer, *Yisun*, near the Nantao waterfront last week. At the Bureau of Public Safety it was stated that the arrested suspect was a Korean-born Cantonese, having participated as a recruit in the 19th Route Army, in the defensive battle against the Japanese early last year. Kin, according to himself, is now engaged as chieftain in the Cavalry Training College of the central government in Nanking. The Bureau of Public Safety subsequently transferred the arrested suspect to the custody of the Shanghai and Woosung Garrison Headquarters on the ground that he has been in the government military service. A Japanese request for extradition has been refused on the ground that no evidence could be found supporting the charges of the suspect having participated in any manner in the attempted assassination of the Korean Friendly Society president.

Silk Labor Dispute Over Piece-Rate System

BY PAUL K. WHANG (汪仲芳)

THE introduction of the piece-rate system to the silk filatures in Shanghai has been the cause of much labor unrest during the past few weeks. Hitherto the wage system in a silk filature has not been uniform: Those working in the Reeling, Sorting and Finishing Rooms have been paid at day rate, while those in the Peeling Room have been paid at piece rate. As cocoon-peeling can be done by unskilled worked consisting of aged women and young children, their work is not considered as important as other processes of work performed by skilled workers. In the latter part of August, this year, the filature operators in Chapei announced that they would introduce the piece-rate system to the workers in the Reeling Room from September 1, this year. This announcement of the change in the wage system drew fire from the reelers who went on a series of short-lived strikes to oppose its introduction. Although the filature operators promised to keep this new system temporarily in abeyance, the dispute has not yet been definitely settled at the time of writing this article.

From the standpoint of a neutral observer, there are many arguments to be said in favor of this piece-rate system, because it will bring equal benefits to the filature operators and silk workers alike. But it must be admitted that a good system must not necessarily bear good results, if the management which is entrusted with its carrying-out does not conduct it in a fair and proper way. The silk workers are apparently not opposed to the workability of the new system, but they fear that the filature operators may use it as a means to reduce their wage payments.

The advantages of this new system are manifold. To the filature operators, it tends to increase the quantity and better the quality of silk production; while to the silk workers, it enables them to receive a wage proportionate to their respective skill and effort. Under the old system, the reelers have been paid at day rate. It is true that all the reelers have not received the same wage, as the more skilled ones have been usually paid at a much higher rate than the less skilled ones. It is also true that the old system has provided measures of award and penalty to differentiate the workmanship of reelers. But these measures in allowing difference in the wage scale and providing award and penalty have been more arbitrary than definite, giving no sufficient encouragement to those reelers who are equally skillful and to those less skilled ones who must rise from step to step according to the personal judgment of their foremen irrespective of their actual skill.

An Element of Competition

Under the new system, the reelers will receive a wage according to the quantity and quality of their respective silk production. The more skilled ones will continuously receive high wage as usual, because their skill and experience can enable them to produce better and more silk than other reelers; while the less skilled ones can also have a chance to receive a good wage, if they produce the silk of the same quantity and quality per day as the more skilled ones. This arrangement, therefore, will encourage the less skilled ones to apply themselves more carefully to their work, and will also introduce an element of competition to the reelers, each of whom will strive to get the best return of her labor. This competitive production among the reelers will invariably increase the quantity and better the quality of silk production as a whole.

When the reelers are paid according to their own skill and effort, they are likely to be more diligent and attentive to their respective works. They can not afford to slow down their production, because less production means low pay. Neither can they be careless in attending to their work, because quality of silk production is considered just as important as its quantity under the new system. In these circumstances, in order that they may receive a good wage, they have to devote all their time and effort to their work without the need of any rigid supervision on the part of foremen. This will give some relief to the filature operators who in the past have been vexed with the problem of how to enforce rigid supervision over the female workers who have become more defiant and aggressive in their attitude toward their management since the ascendancy of the Kuomintang into power.

The reelers, however, have had their own reasons to frown upon this new system. Those who have received the maximum pay under the old system have been especially eloquent in their denounciation, because they have feared that they may not receive the same wage under the new system. It seems to them that they have everything to lose and nothing to gain, if the piece-rate system is adopted. Another objection to the new system is the fact that the reelers themselves can not figure out how much they will receive everyday, inasmuch as their daily wage depends upon the quantity and quality of their respective silk production. The uncertainty of their income has made them hesitate to accept the new system.

The strongest objection has lain in the fear that the unscrupulous filature operators may utilize the new system as a ruse to cut down the wage scale. Under the new system, the foremen will have a greater power over the reelers, because they are the only judges to fix their wages after examining the quantity and quality of their respective silk production. In discharging this important function, the foremen may permit prejudice and whims to take control of their good sense. Moreover, the management may willfully make a fuss over the quality of silk and impose a penalty on the reelers. Thus the reelers will constantly live under the mercy of filature management and foremen.

Thus most of the objections raised are not against the system itself, but against the possible improper way of practising it. The system itself, as I said before, if properly carried out, will bring benefit to the filature operators and silk reelers alike. In introducing this system, the filature operators should long ago have started an educational campaign to explain to the reelers the merits of the new system so as to clear up any misconception which may be entertained on the part of the reelers. Moreover, they should invite experts to assist them in working out a basis on which the rate of wage will be fixed in accordance with the quantity and quality of silk production.

But instead of resorting to such preparatory measures, the filature operators suddenly thrust upon the reelers this new system without even undergoing the trouble of explaining to them fully what it was. This high-handed measure would naturally arouse the suspicion of ignorant and uninformed female workers who concluded that it was merely a new device to exploit them.

Capital and Labor Should Cooperate

In one of my previous articles on China's silk industry, I laid much stress on the necessity of a close co-operation between capital and labor as a means of upholding our silk trade. In order to secure that co-operation, the filature operators and silk workers should understand each other's position and sympathize with each other's difficulties. The present instance is another illustration of the lack of a good understanding between these two parties.

The filature operators, in face of the business depression, are anxious to introduce a new system, which will enable them not only to cut down the cost of production, but also to improve the quality of their products. They have to resort to measures of efficiency and economy, so that their filatures may be kept on running continuously during the present crisis. It is much to be regretted that a few unscrupulous filature operators are apt to take advantage of the present situation to exploit their silk workers on various pretexts by either cutting down their wages or lengthening their working hours.

The silk workers, on the other hand, have always suspected that any new system introduced by the filature operators is but another ruse to exploit them, no matter whether the new system will bring to them as much benefit as to the filature operators. They resist any change, and refuse to co-operate with the filature operators in any of the latter's endeavor to rehabilitate the silk industry.

So long as the filature operators and silk workers have assumed such antagonistic attitude toward each other, it will be exceedingly difficult to adopt any new measures for the purpose of improving the quality of

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our silk production. In the present dispute over the piece-rate system, the silk workers are not caring whether they are paid so much per day or so much per ounce, but what they suspect is the motive of the filature operators behind this change. To the silk workers, any change initiated by the filature operators must be injurious to their welfare. There is no way to remove this firm and deep-rooted prejudice, unless the filature operators first assume a sympathetic and friendly attitude toward the silk workers.

Shanghai, Sept. 18, 1933.

Lord Marley Pays His Respects to the "Shanghai Mind"

Lord Marley was the principal guest at a banquet given jointly by Judge Loo Hsing-yuen, president, and committee members of the British Returned Students Union in Shanghai Sept. 15 at their new premises 27 Peking Road.

Lord Marley in his remarks said that Judge Loo should have introduced him as a "notorious" Englishman instead of "famous," in view of the fact that he had been charged by one of the Japanese dailies in Shanghai with being responsible for the murder of three Chinese anti-Red-agents in Shanghai.

The same Japanese paper, he said, had charged him with having received $8,000,000 from the Third Internationale. Lord Marley declared that his accounts with the Hongkong and Shanghai Banking Corporation could testify to the untruth of the charges. "We are described as people with two horns and a long tail and we are said to belong to the Third Internationale," Lord Marley said. The chairman of the anti-war conference lamented the prejudice which he said has been stifling thought and preventing an unbiased examination into socialism and communism, which, in his opinion have very little difference between them. The speaker concluded by declaring that during his few weeks in Shanghai, he has been deeply impressed by the so-called "Shanghai Mind," and he hoped that people out here would come to know that all British people are not as bad as those who come to this city.

Lord Marley Alleges His Mail Is Tampered With

Lord Marley, head of the anti-War delegates in Shanghai has made public correspondence he has had with the Shanghai *Nichi Nichi* (a member of whose staff, one Klein, had allegedly said he could secure copies of letters which Lord Marley had sent) in which Lord Marley said it became clear that in only three ways could the information have come into the *Nichi Nichi's* possession: either during the passage of the letter from his room through the hotel services to the Post Office box; or, secondly, while in possession of the Postal Administration of Shanghai; or, thirdly, after this letter left Shanghai on its way *via* Japan to Siberia. The Japanese newspaper in reply hinted that the Soviets may have tampered with Lord Marley's mail.

Foreign Municipality Bans Anti-War Meeting

The *China Times* recently said there was some prospect that the anti-War Conference may eventually be held in the Shanghai Foreign Settlement, but it was definitely announced Sept. 19 that the Foreign Settlement authorities had refused permission for the anti-war conference to be held.

Socony-Vacuum and Standard of N. J. Combine in Far East

A report in *Business Week* (N. Y.) for August 19 stated that Socony-Vacuum Corporation which has a U. S. $24,000,000 investment in distributing facilities in China and Japan has just perfected a merger with Standard Oil of New Jersey for the purpose of offering stronger competition to Soviet oil penetration in Far Eastern markets. The new Standard Oil merger is expected to strengthen the Standard's position since Standard Oil of New Jersey has important oil supplies in the Far East which now will be available for the Socony-Vacuum Corporation which is a marketing organization. Standard Oil of New Jersey has wells in Netherlands Indies and Borneo, the products of which are now expected to be availble for the Chinese and Japanese markets.

Reds and Reconstruction in Central China

(Special Correspondence from Hankow)

HSIA Hsi, a subordinate of the notorious Red commander Ho Lung, has been devastating life and property on the Hunan-Hupeh border, north of Lichow and south of the Yangtze. Capturing the city of Sung-tze, the Reds put the magistrate to death, terrorizing the populace and threatening to enter Hunan and take Lichow and Tsingshih. However, only the outlying villages of the northern tier of counties were entered. The latest reports indicate that Hsia Hsi is moving westward, has captured the city of Wufung in Western Hupeh, and is engaged in an attempt to take Yuyangkwan, which would definitely threaten Itu, a city on the southern bank of the Yangtze just below Ichang. The Hunan-Hupeh Border Bandit Suppression Commissioner, Gen. Hsu Yuan-chuan has wired for Gen. Fan Hsi-tsei, Hupeh Gendarmerie Commander, to come at once to Ichang to confer with him about the Red situation. Moreover, after a round of inspection in western and eastern Hupeh, Gen. Ho Chen-chun, Hupeh Pacification Commissioner, proceeded to Kuling on the 15th to confer with Gen. Chiang Kai-shek, who is in complete charge of the Bandit Suppression Troops in this whole area.

Rumor has it that Ho Lung and Hsia Hsi are seeking to join forces only to proceed westward and then northward into north-eastern Szechuan, where the Reds are still in possession of several whole counties. At the present time many missionary families, having been compelled to evacuate cities captured or threatened by these Reds, are sojurning in Chung-king, Szechuen.

Government Awake to Realities

The government is awake to the realities in the present situation and are taking some measures that will help to get rid of the Red menace. One of them is road building. In the district northwest of Hankow where the Reds have been active in times past, a new motor highway has been completed between Anlu and Changkiangfu, and a new bus line will be inaugurated on Oct. 1st of this year. Also in southern Honan between Sinyang and Kwangchow, and south over the border into Hupeh, a network of motor roads has been mapped out. Construction began last spring and has been going apace ever since. Reports from Kwangchow indicate that Gen. Liu Chen-hua is well-liked by the populace because he evinces a determination to fight the Reds. However, he has also met with not a few losses in men and munitions, scores of wounded officers and men having been sent to Kwangchow for treatment. In the districts reclaimed from the Reds energetic officials are being placed and funds given for the rehabilitation of these desolate areas. Both in Honan and in Hupeh new counties are being formed to facilitate the matter of reconstruction.

Improvement on Peking-Hankow Railway

Improvement of the service rendered the public is very noticeable on the Peking-Hankow Railway. The Special Expresses to Peiping run every day, whereas formerly it was four or five times a week, and the Hankow local trains have been increased from three to four daily. All summer long there has not been any break in the service due to bandits or Reds. A special week-end service between Kikungshan and Hankow was maintained for the convenience of the summer guests, who ventured back to Kikungshan this past season. With the improved transportation there will come some improvement in the various lines of business in this trade center.

The bankers of Hankow are also seeking to develop a new credit system among the farmers, thus supplying credit to a class that too often has been exploited by unscrupulous usurers. This would be a welcome outlet to the overfilled bank vaults and at the same time increase the buying power of the average farmer. Credit societies and cooperative farm associations for handling and controlling amount of credit, have been organized in many localities. Many principles for this type of work have been worked out in Tinghsien, Hopei, where James Yen of Mass Education fame has been working along lines followed in that highly organized cooperative farming country Denmark. Mr. Yen was in conference with several of the Hupeh-Honan-Hunan reconstruction leaders in Hankow last year.

Another angle in the improvement of the economic welfare of the Wu-Han area, is the proposition of the Third Annual Conference of the China Engineering Society, which was held in Hankow last month. This conference adopted a resolution, petitioning the Hupeh Provincial Government to reopen the Hanyang Iron and Steel Works, across the Han River from Hankow. Originally this plant was government-owned, later falling into private hands. Before it was closed fifty million dollars had been sunk in the enterprise. The reopening of the steel works would not cost more than two million dollars and would supply gainful occupation to a large number of people, and the Tayeh (Hupeh) iron ore would be made available for Chinese again. And the Japanese, who have given loans secured in this property as far back as 1912, the first year of the Republic, would most likely be forced to recognize China's prior right to the Tayeh iron ore.

Signs of a Better Day

How can we reconstruct society along more modern lines? How can we raise the standard of living and the buying power of the agricultural districts as well as the industrial sections? How can we maintain law and order? These are some of the fundamental questions that agitate the minds of the college-trained business man and government official. There are signs of a better day coming in China, and the little straws show which way the wind is blowing.

Hankow, 16 Sept., 1933.

Chinese Government Buys Corsair Airplanes

A contract has been siged between representatives of the National Government and United Aircraft Corporation of America, of which Carl Nahmmacher is the Far Eastern manager, for early delivery of at least 15 new-type Vought Corsair airplanes for use at the Hangchow air field. Mr. Nahmmacher gave a sensational demonstration of the one new-type Vought Corsair now here on Sept. 16. This was done in the presence of Dr. H. H. Kung, governor of the Central Bank of China, who motored to Hungjao Airdrome especially to see the demonstration. Mr. Nahmmacher gave many examples of what the 700-horsepower Hornet-motored craft is capable, including looping the loop, flying on its back, and a spectacular power dive in which a speed of 350 miles an hour or more was attained.

Captain Chen Wen-lin started from Shanghai Sept. 11 in the Amoy-made plane *Chiang Chueh*. The original 85 h. p. motor in the machine had been replaced by a 125 h.p. motor. He had to make a forced landing at the Sanpao Railway Station, 30 li from Hsuchow. The occupants were not injured but the machine was damaged and taken to Hsuchow by train. The plane lost its wheels landing in a muddy field. Captain Chen later came to Shanghai to pick up four mechanics of the Naval Aircraft establishment.

Captain Sun Tung-kang, German-trained Chinese aviator, arrived at Hangchow Sept. 11, where he staged demonstration flights over the scenic West Lake. A public welcome was extended to Mr. Sun by representatives of various official organs and civic organizations at a meeting at the Hangchow Party Headquarters Sept. 12. He was entertained at luncheon by General Lu Ti-ping, Chairman of the Chekiang Provincial Government.

The forthcoming air maneuvers in Canton promise to be an unprecedented event in the southern port. Several dozen fighting planes are expected to take part. Kwangsi has also decided to participate by sending eleven of its newly imported military planes to Canton.

By an order of General Chiang Kai-shek, the Government Aviation Bureau has been placed under the control of the Military Council instead of under the War Ministry.

Shanghai Airplane Works May Get $100,000 Grant

The airplane works of the Naval Ministry at Shanghai have petitioned the Ministry of Finance for funds for the expansion of the factory. The Executive Yuan originally promised a grant of $100,000 to the Works, but so far the appropriation has not been remitted.

It is reported that the Southwest Commercial Aviation Company is raising $1,500,000 to maintain an air line between Canton and Lungchow, in western Kwangsi.

The Chinese Aviation Association issued a circular telegram to the country immediately after the christening ceremony of the five contributed airplanes last week calling upon the nation to exert their efforts to strengthen China's air defence. The Association points out that, in the future the air force will decide the fate of a war and if China wishes to survive the forthcoming world-war it is imperative she shall develop her air force.

The China National Aviation Corporation is planning a new branch line to Yunnan from Chungking.

Preparations for the operation of through traffic on the Nanking-Berlin Airway, which had been suspended for some time on account of the Sinkiang trouble, have been resumed by the Eurasia Aviation Corporation in view of the restoration of normal conditions in that province.

Definite plans for a Sino-American aerial through traffic arrangement have been mapped out by the National Aviation Corporation, following the success of the Shanghai-Manila test flight.

The Soviet press Sept. 15 hailed with great satisfaction the visit of the French Aviation Minister M. Pierre Cot, as contributing to an exchange of valuable technical experience between Soviet and French aviation

Japan Watches Aviation Developments in China

The development of aerial communications system in China by the active support of foreign aeronautical industrial interests is being watched with keen interest in Japanese official circles.

Rengo says that the Japanese government, according to its aviation policy, hopes to conduct negotiations with various governments having aviation interests in the Far East with a view to concluding aviation agreements aiming at connecting the Japanese system with the international trunk lines flying in the Far East. The Cabinet Council is reported to have requested the Foreign Office to negotiate aviation treaties with countries now extending their air lines. The evident Japanese object is to thwart any plans that Western nations—especially Germany, Great Britain and the United States—may have to dominate the airways of the East.

America Increases Duties on Japanese-Dumped Articles

The U.S. Treasury, acting upon orders from President Roosevelt, issued orders Sept. 19 for an immediate imposition of customs duties on incandescent light bulbs and rubber soled footwear that will prevent further dumping by Japanese manufacturers.

Following a demand for straight-out inflation by the cotton-growing interests, President Roosevelt Sept. 18 put another $150,000,000 of Federal pressure behind the credit expansion program, through the Reconstruction Finance Corporation.

A new "National Stock Exchange" has been incorporated at Trenton, N. J., with a view to compelling the New York municipal authorities to reconsider their recent decision to impose heavy taxation on stock transactions.

General Hugh Johnson, the National Recovery Administrator, was successful in inducing the coal operators to sign the coal code Sept. 17. The code provides for a 44-hour week and wage rates ranging from $5.63 to $3, according to districts.

Senator Pat Harrison of Mississippi stated Sept. 17 that in the first year after repeal of prohibition the Treasury will receive U.S.$700,000,000 in revenue. Additional income taxes based on a resumption of legal liquor sales will easily add U.S.$300,000,000 more, he believes.

The Reconstruction Finance Corporation is completing plans to extend a further credit of fifty to seventy-five million dollars to the Soviet Government to purchase American commodities, including cotton, copper and aluminum. The $4,000,000 credit granted in July has been expended on American cotton.

Ural Region Being Rapidly Industrialzed

Recent Moscow telegrams stress the tremendous industrial development of the Ural region during the last ten years, and the growing importance of that area, as one of the biggest Soviet industrial centers. During the years 1923-1928 the Soviet Government invested in that region 500 millions roubles, of which 200 millions went into industries. The general investments in the Urals during the First Five Year Plan (1928-1932) reached 3,600 millions roubles, of which 2,600 millions were invested in industries. 129 large factories and plants were completely or partly erected in the area during the first Five Year Plan, and 83 more enterprises were nearing completion at the beginning of this year. 95 large plants underwent thorough technical reconstruction.

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Tokyo War Office Wishes to Control Industry in Manchuria

Rengo says there is a strong opinion among officials of the Tokyo War Office that the "guiding power" for the industrial development of Manchuria should be directly in the hands of the commander-in-chief of the Japanese Kwantung Army. Under the present system the governor-general of the Kwantung Leased Territory, who is also commander-in-chief of the Kwantung Army, exercises this power under the supervision of the Department of Overseas Affairs and other departments interested in Manchurian affairs. The War Offices advocates placing the control in the hands of the head of the Kwantung Army, who would be directly under the supervision of either the Minister of War or the Premier.

Japanese Garrison in Japan Costs Yen 180,000,000 Yearly

As the result of a series of consultations between the Tokyo War Office and the Army General Staff, it has been decided that the Japanese troops in Manchuria will continue to be stationed there under an annual shifting system and not as permanent Manchurian garrisons. In accordance with this decision, the army authorities have decided to ask the Finance Ministry to appropriate Yen 180,000,000 for expenses for the Japanese garrisons in Manchuria.

In the name of its Chief Executive, Henry Pu-yi, the Manchukuo Government will shortly promulgate a rescript on eduction based on the "kingly way" (Wang-tao). It is reported that the new rescript can be compared to the Imperial Rescript on Education promulgated by the late Japanese Emperor Meiji, in its nature.

In a letter to *the London Times* Sept. 15 on Manchukuo, Lord Lytton challenged the acceptance of Manchukuo as a *fait accompli*, (as stated in an editorial) and the statement that the rights or wrongs of Japan's actions two years ago are no longer relevant to the present and future of the Far East. Lord Lytton stated that the unanimous vote of the League of Nations declared that Japan was in the wrong, and that the statement propounds a doctrine which if accepted by responsible persons, would destroy the foundations of peace of the post War world.

French Capitalist Representative Tours Manchuria

M. Andre B. D'Ollivier, representative of French capitalist investors, who is on a tour of investigation in Manchuria, sent by the Japanese-French joint investors, arrived in Dairen, September 12. In an interview M. D'Ollivier said that, having seen the state of things in Manchuria, he was greatly impressed to note the close cooperation existing between Japan and Manchukuo. M. D'Ollivier stated that the chief object of his visit was to conduct an investigation into the advisability of French investment in Manchuria and also to ascertain the intentions of Manchukuo authorities to such enterprise. The *Osaka Mainichi* expresses the belief that if Mr. D'Ollivier, as the result of his investigations, finds that French cooperation with Japan in making investments in Manchukuo is possible in a way to contribute to Franco-Japanese friendship, various French industrial and syndicates will go a step further and make efforts to realize Franco-Japanese economic unity in the newly born state. The Japanese Foreign Office, it is stated, will give all possible aid to the French industrialists and syndicates.

Japanese telegrams predict that France is likely to make investments in Manchukuo before long, ahead of other European Powers. It is recalled that prior to the present visit by M. d'Ollivier, the French Government, had sent Mr. Lyautey, a financial expert, to Manchukuo in the spring this year to determine whether investments in Manchukuo were possible, and it is now said that it has decided to make the venture, in accordance with the report sumitted by Mr. Lyautey.

Preparations are being completed for the merger of all important collieries in Manchuria under a joint Japanese-Manchukuo concern, to be formally established in November. The merger will not include the present Fushun collieries and the Penchihu colliery on the Mukden-Antung line, these being the only exceptions of real importance.

The importation, manufacture and sale of all explosives is to be made a Manchukuo Government monopoly. Under the proposed system the manufacture of gun-powder and other explosives will be allowed only by the Mukden arsenal. The importation of such material will also be limited to the same arsenal. All explosives will be sold only through the Government's monopoly offices.

The Department of Justice of Manchukuo is planning to bring all the judicial organs in districts under the direct supervision of central authorities. It has instructed all the provincial authorities to prepare diagrams of judicial systems in the respective territories.

Japanese and Manchukuo Traders to Form Association

A Japanese and Manchukuo Businessmen's Association will be organized shortly as an outcome of the recent round-table meeting of the traders in Dairen. The fundamental plan for the establishment of the Association has already been drafted and the inaugural meeting will be held in Tokoy in November. The purpose of the Association is to investigate industrial conditions in Manchukuo. The Japan Chamber of Commerce and Industry, which will become the central body for organizing the Association, called a meeting of representatives of 13 chambers of commerce and industry in Japan in Tokyo on September 20. Some 100 economic institutions in Japan, 20 Japanese commercial organizations in Chosen, Karafuto, and Manchukuo, and about 100 economic and industrial institutions in Manchukuo are joining the Association.

The Finance Department of Manchukuo Government recently decided to employ more than 50 customs officers from Japan, who are to be posted to customs duty in various custom houses throughout Manchuria.

S. M. R. Needs More Money—Bankers Go to Investigate

A party of Japanese bankers plans to visit Manchukuo next month for inspection of actual conditions, economic and otherwise, of the new State. Their visit is welcomed by both the Manchukuo Government and the South Manchuria Railway Company. The South Manchurai Railway Company, which has recently increased its capital from Yen 440,000,000 to Yen 800,000,000, will soon have to make a call on unpaid capital. It also wishes to raise loans in order to start various enterprises. They railway seeking the cooperation of bankers with this end in view.

Plague Breaks Out in Manchuria

A serious outbreak of plague is announced in North Manchukuo, which has claimed more than 600 lives within the past fortnight. People are stated to be dying, some from bubonic and some from pneumonic plague.

Oriental Development Co. Prepares to Readjust Finances

The Japanese newspapers have been replete with details of late concerning the Toyo Takushoku Kaisha (Oriental Development Company) which, it is announced, will make drastic financial readjustments in order to prepare for activities in the industrial development of Manchukuo and Chosen in the near future. The Company's original financial readjustment plan has been greatly amended by the Overseas Office which has presented the amended plan to the Finance Office for the latter's approval.

It is explained that, in order to enable the Company to fulfil its mission of developing industry in Manchuria, the readjustment of its finances is imperative. The present scheme, if realised, will not only check any further increase in the Government burden in the form of compensation for the interest payment for foreign loans, but it will enable the Company to pay a dividend to its shareholders. As soon as the consent of the Finance Department has been obtained, the Department of Overseas Affairs will prepare the necessary bill to be introduced in the next session of the Diet.

The following is the gist of the plan:

1.—The Oriental Development Company to increase its authorised capital—at present Yen 50,000,000 with Yen 35,000,000 paid up—by one-third. The capital struck off to be employed for making good the Yen 8,000,000 difference between face value and issue amount of the $32,000,000 loan, as well as for writing off bad debts.

2.—The Company to resume the payment of dividends to its shareholders. The rate of dividend to be fixed at three per cent per annum, for the beginning.

3.—The Company to transfer the $32,000,000 loan to the Government. Of this total, which is to be calculated at par of exchange, one-third is to be paid by the Company to the Government in kind, *i.e.* its share stock, the remainder being made the Company's debt to the Government.

Choko Takayama, president of the company, in a recent statement said the company has not yet emerged from the depression. Benefits of the business improvement in Manchukuo and the bumper rice crop in Korea will not appear before the first halfyearly term of 1934; therefore it is difficult for the concern to work out a readjustment plan, he said.

Count Uchida Resigns---Tokukei Hirota Succeeds as Foreign Minister

Count Yasuya Uchida, Japanese Foreign Minister, resigned Sept. 14. Koki Hirota, minister without accredited post and former Japanese Ambassador to the Soviet Union, was appointed as successor to Count Uchida. The official reason given for Count Uchida's retirement was that he had been suffering from poor health and since the end of last month had been recuperating at Hakone. As there was no immediate hope of recovery Count Uchida had refused to interview the War Minister recently.

The new minister is a son of Tokuhei Hirota; he was born in Fukuoka prefecture, in North Kyushu in 1878, and graduated from the Law College of the Tokyo Imperial University in 1905. Entering the diplomatic service upon his graduation, he successively held the posts of Vice-Chief of the Information Bureau and Director of European and American Bureau of the Foreign Office. He was at one time Minister to the Netherlands and from 1930 to 1932 he was active as Ambassador to the Soviet Union. He was called back by the Government the following year from Moscow. Mr. Hirota is known among his colleagues in the Foreign Office for his profound knowledge of the problems of the Far East.

No Change in Japan's Diplomatic Policy

Tokyo messages indicated that the change in Foreign Ministers will not involve any change in Japan's diplomatic policy towards foreign countries, especially towards Manchukuo and China, but that Japan will pursue her already established attitude of a "positive diplomacy" with the Far East as its main objective. Mr. Hirota among others things said in a written interview that "economic accord with Great Britain is indispensable in order that we may strengthen the bonds of traditional friendship between the two empires."

Asked by foreign correspondents whether he would propose the conclusion of a non-aggression pact or arbitration treaty with the United States, Mr. Hirota, replied that he must study the relations between the two countries to ascertain whether it was necessary to conclude such pacts, though he believed that the actual situation between the two countries did not make it necessary to take such special action. Regarding a non-aggression pact with Soviet Russia, Mr. Hirota said that it was most essential that there should be no trouble between the Soviets and her two neighbors, Japan and Manchukuo. He admitted that there are various pending problems between Russia and Japan, but he said that if they were settled amicably there would be no need for the conclusion of a non-aggression pact, though he said that he personally was not opposed to its conclusion.

New Minister Expresses Sympathy with China's Leaders

Turning to the China problem, Mr. Hirota said that most of the pending questions between China and Japan have arisen from the Manchurian incident. If China takes "correct cognizance of Manchukuo and of the existing situation," the relationship between the two countries would certainly become better, he added.

The new Minister expressed sympathy with the leaders of China, many of whom, he pointed out, are close friends of his. He wished them success in their strenuous efforts to put their own house in order.

The Career of Count Uchida

With his entry into the Saito Cabinet in June 1932, the retiring Minister Count Uchida took over the portfolio of Foreign Affairs for the fifth time. On the formation of the second Saionji Cabinet in 1911, he was called from Washington, where he was Ambassador, to become Foreign Minister for the first time. Subsequently he held the same post continuously from 1917 to 1932 under three successive Premiers, the late Mr. Hara, Viscount Takahashi, and the late Admiral Tomosaburo Kato. On the assassination of Mr. Hara on the eve of the Washington Conference, he became Acting Premier for a few days pending the appointment of Viscount Takahashi as Premier, and, two years later, on the death of Admiral Kato in office, he became Acting Premier for the second time pending the formation of the second Yamamoto Cabinet a few days later.

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Yellow River Has Subsided, But Losses Are Great

According to reports from Huahsien, the Yellow River district which suffered the worst flood, about twelve thousand flood refugees have starved to death owing to lack of food and clothing. The Honan provincial authorities are now working out measures for the relief of the flood sufferers.

The floods at Sanyuan, north of Sian have claimed 154 lives, and engulfed a total area of 34,000 mow of farmland, according to a bulletin issued by the Shensi Flood Relief Committee.

The province of Shansi this year experienced the worst floods ever known in the province. Altogether 63 districts along the Yellow River were inundated, involving 1,830 villages and 1,210,000 mow of land. The exact number of refugees has not yet been ascertained. The provincial authorities are taking steps to find relief for the flood victims, most of whom are still without food and clothing.

According to a telegram received from Kalgan there is practically no hope for an autumn harvest at Suanhua, southern Charhar, as an army of field rodents has overrun the countryside and ruined the crops. Western Charhar has also suffered from hailstorms, which killed a number of livestock.

With the receipt of $100,000 from the Central authorities. the Shantung Provincial Government is setting about distributing the sum among the flood-affected districts in western Shantung. Eight districts including Shouchang, Hotse and Kuyeh, where conditions are most acute, will receive $7,000 each. Other districts are to receive from $1,000 to $4,000 in proportion to their pressing needs. As the amount is hardly sufficient even for emergency relief, the Provincial authorities are endeavoring to raise a loan of $100,000 from the Tsinan branch of the Central Bank.

Conservancy Boards to Cooperate More Closely

Measures for closer cooperation between the Yellow River Conservancy Board, the Hwai River Conservancy Board and the North China River Conservancy Board were decided upon at the autumn session of the North China River Conservancy Conference held under the chairmanship of Li I-chih, Chairman of the Yellow River Conservancy Board, held at Tientsin end of last week.

The inauguration ceremony for the staff of the Yellow River Conservancy Board will be held at Kaifeng, Honan, Sept. 25. The first plenary session of the Board will be held the following day when various proposals for the conservancy of the Yellow River will be brought up for consideration.

Dr. J. Heng Liu. Messrs. Z. Z. Chow and C. C. Hsi, members of the Yellow River Flood Relief Commission, returned to Shanghai Sept. 16 from an aerial inspection trip through the flooded districts in the provinces of Honan, Hopei and Shantung. The course chosen for this inspection roughly followed three sides of a triangle formed by Hsuchow on the south, Tsinan on the north, and Kaifeng on the west, traversing over the flooded districts of Kinshiang, Chiahsiang, Tsining, on the first day; Tunga, Shou-chang, Puhsien, Changyuan. and Hwahsien on the second day; Lanfeng, Kaocheng, Hotse, Tingtao, and back to Hsuchow and Nanking on the third day. The territory overrun by the flood on both banks of the Yellow River covers an immense area within the triangle above mentioned. Six or seven hsiens suffered most seriously, over a large portion of which water is still a few feet deep.

As a result of discussions between Dr. J. Heng Liu, and General Han Fu-chu, Chairman of the Shantung Provincial Government. a Flood Relief Office for Shantung will be organized, the staff of which will be drawn from the Shantung Provincial Flood Relief Committee.

Yangtsze Dykes to Be Repaired

In identic communications to the various Provincial Governments along the Yangtsze River, the Ministry of Interior recently ordered that committees be organized for superivising and hastening repair work on the dykes along the entire course of the Yangtsze River. In view of the rise of the Yangtsze in the summer, the Ministry urged that steps should be taken immediately for strengthening the dykes so as to avert the danger of another flood in the future.

Funds to Be Raised to Repair Yellow River Bridge

Under the auspices of the Honan Provincial Government, a conference for the repair of the northern section of the Yellow River Bridge, was held at Changchow Sept. 13 to consider the question of raising funds for the operation. It was decided that the Peiping-Hankow and Taokow-Chinghua Railway Administrations are each to be responsible for the raising of $60,000, while the joint office of the Chungyuan Mining Company and the Pekin Syndicate will be responsible for raising $10,000.

The National Government has ordered the Kiangsu Provincial Government immediately to formulate a plan for strengthening the sea wall which protects several of the most prosperous districts of the province, including Shanghai.

Representatives of the recent typhoon victims at Tsungming Island arrived in Shanghai last week, to appeal for relief from the local associations. Tsungming Island has over a million inhabitants. It is an island formed by accumulated sediment at the mouth of the Yangtsze. Funds to Be Raised to Repair Yellow River Bridge.

Shantung Farmers Clash Over Dyke Construction

A conflict between the peasants of Tungping and Shouchang, on opposite banks of the Yellow River in western Shantung, occurred Sept. 13 when the people at Tungping attempted to erect dykes at the mouth of the Tungping Hu (lake) so as to stop the flood waters of the Yellow River from flowing into the lake. This caused the waters to flow in the direction of Shouchang, with the result that part of the district was flooded.

The farmers of Fenghsien and Peihsien have completed preparations for blocking the Tashaho River, in Northern Kiangsu, to divert the flood waters of the Yellow River. The people of Hsiaohsien and Tangshan are appealing to the Kiangsu Provincial Government asking that drastic action be taken against the people of Fenghsien and Peihsien to compel them to abandon their project.

What China Has Learned from the Recent Floods

The *Shun Pao* (Shanghai) comments:—"The recent disaster and the threatened Yangtsze River flood earlier in the year combine to show that China must pay immediate attention to conservancy work along her two main waterways. Unless this is done on a large scale the result will be disastrous. The Ministry of Interior is planning to call a conference of all river conservancy bureaus to discuss measures for closer co-operation. It is our opinion that all river conservancy organizations should be abolished and, in their place, a national river conservancy commission organized in which should be concentrated all the experts in the country. This organ should also guide the people in the improvement of the irrigation systems and afforestation in the upper valleys. If this organ worked hard and was constructive in its policy, future flood dangers would be avoided."

Overseas Chinese Contribute Flood Relief

The Yellow River Flood Relief Commission acknowledges the receipt of $73,539.58 voluntarily contributed by overseas Chinese in Singapore and Malaya through Tan Kah-kee, the well-known Singapore philanthropist and rubber magnate.

Bubbling Well Temple Dispute Settled by Executive Yuan

The Executive Yuan recently approved a set of measures, submitted by the Ministry of Interior, for a settlement of the long-pending dispute relative to the control of the Bubbling Well Temple (Ching An Shih) in Shanghai. In the first place, the ruling of the Ministry of Interior provides that, according to the Regulations governing the supervision of Temples and Monasteries, jurisdiction over the Temple shall be vested in the Greater Shanghai Municipality. It is definitely fixed that the Temple shall be considered as a "Shih Fang Ching Lin," that is, a public-owned temple, at which all monks of whatever sect may seek hospitality. The decision rendered by the former Shanghai Provisional Court, and the ruling of the former Kiangsu Provincial Civil Affairs Department, whereby a monk of the "Tien Tu" sect was granted control over the temple, are annulled and declared null and void. Thirdly, regarding the disposal of properties of the Temple, it is stipulated that the contracts entered into by the former for the disposal of these properties are null and void. The dispute involves not only the occupation of the famous monastery, but also enormous realty holdings valued conservatively at several millions of dollars. St. George's cabaret old landmark in Shanghai, is situated on land belonging to the temple.

Chinese Boy Wins American Legion Medal

George Yee, 15-year-old Chinese boy, who won the American Legion prize for scholarship.

The fact that the American Legion medal in the Benjamin Franklin Junior high school of New Castle Penna., was awarded last May to a Chinese youth has created great interest throughout the United States. The recipient was George Yee, 15-year old Cantonese boy, who received the medal for his scholastic achievements, physical excellence and outstanding qualities of character. Edward J. Davis, a prominent citizen of New Castle, brought the matter of Yee's scholastic achievements to the attention of Dr. Sao-ke Alfred Sze, Chinese Minister at Washington, who wrote Yee a letter of congratulation and also notified Yee's family at Canton.

Executive Yuan Says Press Must Be Protected

Full legal protection for all members of the press throughout the country is called for by an order issued by the Executive Yuan, pursuant to recommendations submitted by the Kiangsu Provincial Headquarters to the Central Party Headquarters. It is expressly provided in the Provisional Constitution, the order says, that except in accordance with law, no person shall be arrested, detained, tried or punished and that all persons shall have the liberty of speech and publication.

Citing two of the most glaring instances, namely, the recent execution of a newspaper editor in Chinkiang by the Kiangsu Provincial Authorities and the assassination of the *China Times* correspondent at Nanking, a petition by the Kiangsu Provincial Party Headquarters alleged that the local authorities have treated the press and press-men in such an oppressive and inconsiderate manner that this principal mouthpiece of public opinion has practically become muzzled. As a sound public opinion is essential to the development of democracy, full legal protection must be accorded members of the press in order that they may fulfill their important mission with the necessary freedom and fearlessness.

Ministry of Industry to Establish Bureau to Control Factories

According to information from the Ministry of Industry, it has decided to establish a Bureau for controlling factories throughout the country, with branches at different places. A local branch of the said Bureau will be established in the near future to exercise control over Chinese factories in the Chinese City and the Settlement, pending settlement of the negotiations regarding factory control now being carried on between the Municipal Government of Greater Shanghai and the Shanghai Municipal Council.

Kiangsi Objects to Tungsten Monoply Held by Arnhold & Co.

At a public meeting in Nanchang, Sept. 17, under the auspices of the Kiangsi Provincial Headquarters, a resolution was adopted to petition the Executive Yuan for the cancellation of the Agreement entered into by the Ministry of Industry with the British firm, Arnhold and Co. of Shanghai, for the sales agency of tungsten ores in Kiangsi province. The meeting also decided to urge the director of the Tungsten Sale Bureau at Kiukiang to petition the Ministry of Industry for the abolition of the Bureau.

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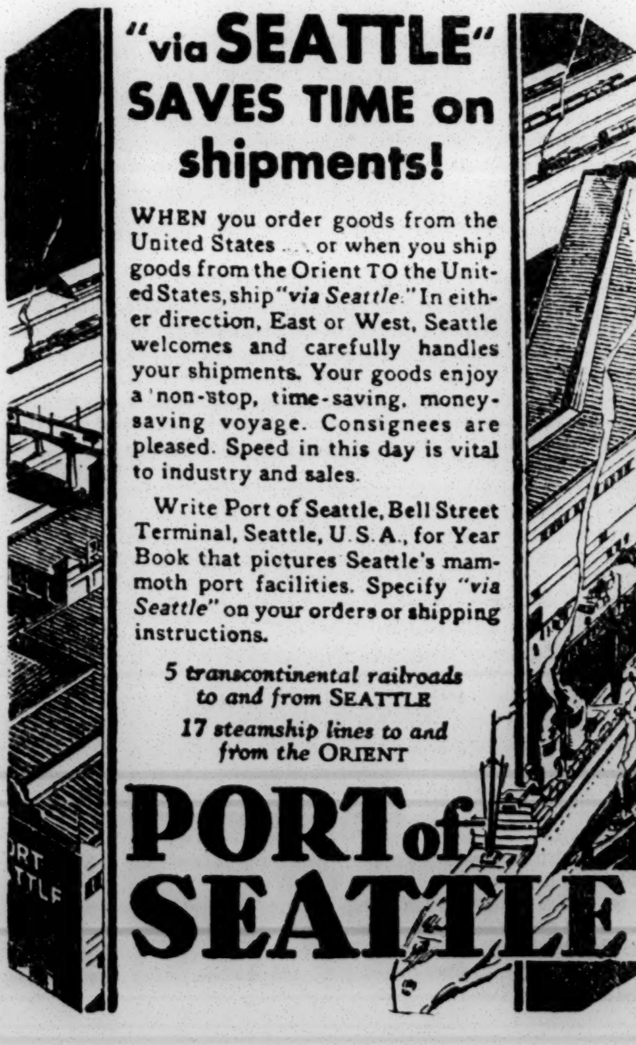
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Japan's Trade with China

(British Chamber of Commerce Journal, Shanghai, for September)

The following figures show Japan's trade with China during the six months ended June 30, 1933 and 1932.

	Exports from Japan		*Imports into Japan*		*Total Imports and Exports*	
	Jan.-June	*Jan.-June*	*Jan.-June*	*Jan.-June*	*Jan.-June*	*Jan.-June*
	1933	1932	1933	1932	1933	1932
	Yen	*Yen*	*Yen*	*Yen*	*Yen*	*Yen*
Manchuria	35,903,000	6,590,000	87,656,000	22,798,000	123,559,000	29,388,000
China	56,310,000	57,381,000	46,824,000	30,390,000	103,134,000	87,771,000
Kwantung Provinces ..	96,527,000	49,505,000	9,363,000	57,126,000	105,890,000	106,631,000
Hongkong	11,449,000	6,819,000	1,092,000	309,000	12,541,000	7,128,000
Total	200,189,000	120,295,000	144,935,000	110,623,000	345,124,000	230,918,000

	Exports		*Imports*	
By Months	1933	1932	1933	1932
	Yen	*Yen*	*Yen*	*Yen*
January	24,332,000	11,520,000	28,741,000	21,839,000
February	32,263,000	14,144,000	27,019,000	20,404,000
March	40,919,000	23,760,000	25,528,000	20,413,000
April	35,068,000	24,568,000	16,699,000	17,971,000
May	34,678,000	24,118,000	22,363,000	17,518,000
June	32,929,000	22,185,000	24,585,000	12,477,000
Total	200,189,000	120,295,000	144,935,000	110,622,000

Japan's Total foreign trode for the five months ended May 31, 1933 and 1932 was as follows:—

	1933	1932
	Yen	*Yen*
Imports	879,330,000	704,885,000
Exports	667,184,000	447,978,000
Total	1,546,514,000	1,152,863,000

China Trade for Japan---Indian Trade for Britain?

From all that one can see, the trend of the negotiations between Japan and Britain on the subjects of cotton goods and duties on Japanese goods (particularly cotton) into India is veering in the direction of an arrangement or agreement between the two countries to share the world's markets—in particular, that the British will leave the Chinese market pretty much to the Japanese on he understanding that Japan will as much as possible adopt a policy of "hands off India," both as regards trade and political matters.

As a *Reuter* message from London recently pointed out, Japanese commercial competition is being talked over, so far as the British Empire is concerned, in two countries —there being one Japanese delegation in London and another in Simla. In the event of the discussions, with the object practically as above stated, failing, Lancashire, it is stated, is preparing to demand that the British Government shall press for heavy tariffs being placed by the various countries of the British Commonwealth of Nations on Japanese imports. The British mission to the Indo-Japanese trade conference at Simla is headed by Sir William Clare Lees, who, in an interview, alluded to the importance of the visit to the Anglo-Indian textile trade and expressed the opinion that the present talks might prove to be the turning point in trade relations between Great Britain and India.

John Rumney Remer, a Conservative, in a speech in London Sept. 15 denounced the British government for "doing nothing" in the face of the increasing menace of Japanese competition. He urged complete Empire prohibition for Japanese cotton and silk goods, and described the present discussions with Japan as a farce. The *Daily Express* printed a leaderette which predicted a big Parliamentary revolt unless the "Japanese business" was put in order.

Shigekuro Kadono, a prominent businessman and one of the Japanese delegates to the World Economic Conference, who played an important role in introducing Japanese delegates to the Anglo-Japanese trade parley to British representatives, left London Sept. 15 for India in order to be present in Simla to observe the Indo-Japanese trade conference.

The Japanese Delegation reached Simla on September 18. Informal conversations commenced several days later.

A formal interview took place between the Japanese industrialists who are to represent Japan in the Simla negotiations, and representatives of the all-Indian Cotton Spinners' Association in Bombay Sept. 18. Referring to the decision of Japanese industrialists to boycott Indian cotton as a retaliatory means against the Indian action on Japanese goods, the Chairman of the Indian association, sought the efforts of the Japanese delegates to discontinue such action since the Indo-Japanese commercial relations would be placed in a disadvantageous position thereby.

Japan Gains World Trade With Cheap Labor and Subsidies

The September issue of the *British Chamber of Commerce Journal* (Shanghai) discussed the subject of Japan in relation to world trade. The Yokohama and Tokyo Foreign Board of Trade report of 1932 is quoted to the effect what "during the last three years there has been in Japan, to her credit, definite constructive action and not merely words. Successive Governments have given their serious attention to social and economic problems of all descriptions. Much-needed reforms affecting the nation's banking system and fresh schemes for expanding trade and industry have been instituted. These far-sighted actions are already bearing fruit . . . We ourselves recognize that the Japanese are no mere imitators, but that they have developed an ability for invention and design. But it is not to be denied that some unscrupulous elements are guilty of filching the ideas of others and of overstepping the principles of legitimate competition. We are glad to acknowledge the fact however that there is evidence to show that the Japanese authorities are becoming more energetic and helpful in tracking down offenders against the existing trade marks laws."

The *Journal* comments that "for Japan to claim that Japan's success is due to superior technique, more capable management and indefatigable industry of the workers is untrue. The real reason would seem to be, first, in the exploitation of labor and, secondly, in Government subsidies. Subsidies are vicious, for by them the worker, directly or indirectly, contributes additionally to his or her labor and taxes the goods manufactured. That is far from sound, for the tendency is to lower rather than raise the standard of labor, and it ill-behooves the Japanese Government to cover its mistakes by reference to the indefatigable industry of the workers."

Gandhi Urges Independence for India

A recent telegram from India stated that Mahatma Gandhi and Jawaharlal Nehru, as a result of their protracted talks, had decided on a program of "complete independence, meaning full control of the army, foreign relations and internal financial and economic control."

The death occurred in Madras Sept. 20 of Mrs. Annie Besant, noted theosophist, whose later life had been associated chiefly with the cause of Indian Home Rule.

Japan's Exports to Manchuria Doubled Last Year

Recent figures given out by the Japanese government show that while Japan's exports to Manchuria during last year more than doubled, exports to China during the same period decreased to such an extent that both combined still show China and Manchuria a decrease of Yen 326.000 as compared with the figures for the preceding year. The total exports during last year come to Yen 155,424,000, of which Manchukuo's share amounted to Yen 14,247,000. It is claimed, however that the Sino-Japanese truce agreement which was signed at Tangku on May 31 following the Japanese campaign to Jehol Province has brightened the prospects of Japan's trade with China, especially in the export to North China and the basin of the Yellow River.

Japanese newspapers claim that Japanese bonds in dollar currency are now being accepted in the United States as security for credit facilities. Whereas, owing to the Shanghai incident and the League of Nations problem, financial circles in the United States at one time took a very cautious attitude towards dealing with Japan, so much so that bankers there restricted their credit facilities to Japanese bankers and companies, now the feeling of financial circles in America has remarkably improved, it is claimed.

The approximate total amount of Japanese bonds and debentures issued during August was Yen 335.557,000, an increase of Yen 130,681,000 over July and Yen 199.907,000 over a year ago, according to investigations by the Industrial Bank of Japan. Among the provincial bond issues are included the Yen 28,000,000 loan by the Kobe Municipality and the Yen 10,000,000 loan by the Kyoto Municipality. About eighty per cent of the provincial bonds issued during August will yield approximately five per cent. This means a marked reduction. Most bank debentures, on the other hand, were arranged for 4½ per cent interest.

It is reliably stated that Mr. Hijikata, Governor of the Bank of Japan will quit his post early in October, pending the return from London of Figo Fukai, Vice-Governor of the Bank, who represented Japan in the World Economic Conference.

The Japanese Government Sept. 21 shipped from Kobe five million yen worth gold bullion to London, as a fund in payment of Japanese debts to be adjusted in Europe.

Shanghai Imports Increase $6,861,123 in August

Imports to Shanghai during the month of August increased $6.361,123 over the month of July, according to statistics appearing in the monthly returns of foreign trade issued here by the Chinese maritime customs. The value of imports in August amounted to $56,897,477 as against $50,017,354 in July.

Imports of heavy woollen goods and cereals were among the commodities showing the most marked increase. Aside from seasonal changes, the varous classes of imports showed very little change from the preceding month.

The value of woollen piece goods imported in July jumped from $315.395 to $991,513 in August. Wollen yarn and cord increased from $966,527 in July to $2,087,827 in August, Great Britain in both cases being the heaviest exporter to the city.

There was a huge increase in the value of wheat imported in August, the bulk of which came from Australia. In July, wheat imports to Shanghai amounted to $1.168,282 while last month the figures rose to $2,928,221.

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Through tickets are issued and passenger's baggage registered through between the important stations on the Peping-Liaoning Railway and the South Manchuria, Chosen (Korean) and Imperial Japanese Government Railways. At Peiping connections can be made with the Peping-Hankow Railway and with the Peping-Suiyuan Railway and at Tientsin connections can be made with the Tientsin-Pukow Railway, for Tsinanfu, Nanking and Shanghai.

For information as to rates, schedules, accommodations, etc. apply to any Tourist Bureau, or communicate directly with the Superintendent of Transportation.

IMPORTANT NOTICE

Owing to the Japanese occupation of Manchuria, tickets are only sold to Shanhaikwan where the Peping-Liaoning Railway crosses the Great Wall. The Chinese Government Railways assume no responsibility for transportation or safety of passengers beyond Shanhaikwan.

Peping-Liaoning Railway

Head Office

TIENTSIN

An Advertisement of the Chinese Government Railways

No. 2

Cotton imports in August accounted for $8,683,624 as against $6,357,354 in July. The big gain came from the United States which exported 2,432,800 gold units worth in August, British India being the closest competitor with 1,821,844 gold units.

American exports of aircraft and accessories to Shanghai rose from 338,635 gold units in July to 516,548 gold units in August. Germany was second

Japanese Barracks Thrown Open for Laymen Inspection

Occupying an extensive area of more than 20 mow of land and towering above the ground four stories in height, the heavy-built, concrete-steel-reinforced new Japanese barracks at the end of North Szechuen Road, officially known as the Headquarters of the Japanese Naval Landing Party in Shanghai, was thrown open for inspection by a group of Chinese and foreign newspapermen last Friday, Sept. 15. The barracks is located at a strategic point in the Settlement Extension. It commands an extensive view over the newly developed Chinese Municipal Center in Kiangwan and is right on the edge of Chapei, the scene of last year's hostilities. Costing more than Yen 1,500,000 and providing accommodation for over 3,000 men, this enormous structure was started in Dec. 1932 and is now in its final stages of completion. Right adjacent to it, is the newly-built Japanese military hospital. Viewed in every aspect, the new Japanese barracks presents an appearance of a permanent military establishment and can easily be converted into a stronghold in case of war. The building stands as a striking contrast to the temporary quarters of the troops of other foreign powers in Shanghai which are either cheap wooden shacks or rented houses. The construction of such a permanent military establishment in Shanghai is a direct violation of the Nine Power Treaty signed at Washington in 1922 on the part of Japan, which stipulates for the gradual withdrawal of all foreign troops in Shanghai. According to inquiries made ot the new Japanese Naval Headquarters, the building was constructed with neither notice to nor permission from the Chinese authorities in whose territory it is situated or the Shanghai Municipal Council. Even, the Consular representatives of the Powers in Shanghai were not notified. The entire business was done in utmost secrecy and it did not attract much attention, until the building has recently been completed.

Escorted by Commander K. Kakuta, Senior Staff Officer of the Barracks, and several English-speaking Japanese guides, a party of more than 50 press representatives and photographers was conducted to inspect the building from the roof to the basement. The roof is a flat open space with an observation tower, two large water tanks and three or four concrete-built washing tubs. The Observation tower consists of two stories, the upper story being built of steel plates about two inches in thickness. Whlie the newspaper visitors were pacing the roof, Commander Kakuta remarked that the roof was very weak and could not sustain gun emplacements. But the newspaper men were all of the opinion that the roof was certainly strongly built. But whether it could hold larger guns, it is rather a matter for experts to decide, while the laymen news reporters could only guess and accept what they were told by the Japanese guides. The roof has considerable open space and appears to be sufficiently wide for an airplane to land and hop off. On the roof were noticed two Hotchkiss double barrelled anti-aircraft guns which were housed in a little room not far from the observation tower.

Looking down from the roof into the compund, troop units of various descriptions were marching in and out of the enclosed court-yard every few moments, while others stood in formation, executed brief drills, went about tasks known only to themselves and their officers. It appeared that the Headquarters were just receiving a consignment of armament from Japan and men were busy with unloading the "goods" cased in oblong wooden boxes which Chinese reporters mistook for coffins. Bustling activity was the note predominant at the barracks. Everything looked serious and every man was on his job of some kind. As a finishing touch to the building's construction in the roof, a party of Chinese workmen was seen completing a shrine and a stone tablet erected to the memory of the Japanese soldiers and sailors who lost their lives during the Shanghai hostilities in 1932.

From the roof, the party of newspaper men was conucted through the various stories of the building. There was an almost endless series of sailors' quarters, officers' rooms, recreation halls, gymnasiums, more quarters for sailors who sleep mostly on swinging canvases. Immediately adjoining each large room serving as men's quarters, were smaller storerooms for rifles and numerous sub-machine guns. On the second floor at a corner, was noticed a number of paper tablets and inquiries disclosed the fact that they were tablets of the sailors who died in Shanghai of the recent epidemic of dysentery. They were shortly to be sent back to Japan to their respective homes.

The ground floor is largely devoted to garages for armored cars, field guns, trench mortars, tanks and repair shops. Of the larger guns now stored at the barracks, officers stated that there were 30 three and six inch guns, 13 armored tanks, four armored cars and some 2,000 men and officers on the premises.

Official dedication of the barracks will be held some time in Octoher when Japanese naval maneuvers will be held before Admiral Yamamoto of the Naval Department at Tokyo. The Commander of the Shanghai Japanese Naval Landing Party is Rear-Admiral T. Suguska. He is a graduate of the Japanese Naval Academy and was commander of a Japanese battleship prior to his Shanghai Commission.

Cuban Situation Aggravated---Anti-American Sentiment Grows

The aggravation of Cuban disorders during the week has enhanced the possibility of the landing of United States troops on Cuban soil as the lives and property of Americans there are being increasingly jeopardized. Attempts at seizure of land and of factories have been reported; mobs attacked the American Ice factory and the Spanish Shoe factory in Manzanillo, end of last week, while a stronger guard, reinforced by machineguns, has been posted over the 400 officers loyal to the deposed president, Dr. Cespedes, who are still imprisoned in the Hotel Nacional. President San Martin at first rejected the proposal of the leaders of political factions that he should resign, but he resigned Sept. 19.

Eight thousand demonstrators in Havana Sept. 17 marched past the hotel where Sumner Welles, U. S. Ambassador, is staying, with shouts against "American imperialism" and cheers in favor of an address by President Grau San Martin, as well as of Latin American states which have shown their sympathy with the Cuban revolutionaries. Many of the paraders carried Mexican flags.

Business in Cuba has practically come to a standstill, owing to the prevailing uncertainty. Americans are refusing to participate in any transactions unless they have a cash advance. Meanwhile the tension of the past week or so is increasing on account of threats of a general strike directed at the overthrow of the new administration. Soldiers were called out at Havana Sept. 18 to rout Communist demonstrators inciting workers to strike along anti-American lines.

Japan Watches Possible Intervention by U. S. A.

The possibility of American intervention in Cuba is being watched with the greatest interest in Japan. A Tokyo message Sept. 8 stated that the Japanese naval authorities were taking a "sympathetic view" of the emergency measures taken by the American Navy. The Japanese naval authorities pointed out the "similarity" between Japanese military and economic interests in Manchuria and those of the United States in Cuba. They expressed the opinion that the United States "has been compelled to resort to emergency measures in the anti-American revolution in Cuba to protect her nationals and safeguard her interests, exercising her right of self-defence just as Japan did in the Manchurian incident." According to the Japanese naval authorities, the United States Government "now finds itself in a position similar to that which confronted Japan at the outbreak of the Manchurian incident."

The Platt Amendment, which provides the right of the United States to guarantee the sovereignty and integrity of Cuba and to take measures for the maintenance of law and order, is being adversely criticized in many quarters in America and the movement to abolish it entirely is gaining strength.

Who's Who in China

S. P. Shou (Shao Shui-peng)

邵瑞彭字次公

S. P. Shou, author and university professor; born at Shun An district, Chekiang, 1888; member of Lower House of the Peking Parliament, 1913; professor of Chinese in the Peking Government University and other universities in Peiping; member of the National Rehabilitation Conference during the Regime of Marshal Tuan Chi-jui as Chief Executive of China, 1925; played important role in the opposition against the election of Tsao Kun to Presidency of China by bribery, 1922; now dean of Department of Chinese of the Honan Provincial University; a profound student of Chinese literature; an authoritative annotator of classics as well as an astrologist; author of many volumes on Chinese classics, historical study of Chinese calendar system, land system in ancient China, philology, collection of poems and essays which are considered standard works in their respective fields of study; address: School of Chinese, Honan University Kaifeng, Honan.

邵瑞彭，字次公，浙江淳安 — 現年四十六歲，曾任衆議院議員，及北京各大學教授，段祺瑞爲執政時，任善後會議會員，參政院參政，當曹錕賄選總統時，反對最力，有聞於國內外，現任河南大學國文系主任，平生治樸學，兼詞章，著有尙書決疑三卷，齊詩鈐學九卷，古歷學二十卷，地羃古義一卷，羣書校記三十餘卷，書目長篇二卷，詞四卷，文四卷，筆記十卷，語原(未脫稿)若干卷，其訓詁學與歷學，皆發有淸一代諸人未發之秘，爲最有功國學之著作。

Tatung General Denies Report that Stone Buddhas Were Injured

In a recent letter to the Tientsin *Ta Kung Pao*, General Chao Cheng-shou, the defense commissioner of Tatung, indignantly denied a report recently appearing in that paper to the effect that his soldiers have been quarrying stones from the caves of stone Buddhas at Yunkiang, about 10 miles from Tatung. The original report said that a large quantity of stone had been quarried from the caves for the purpose of building a wall enclosing a villa which General Chao is building in the neighborhood of Yunkiang.

American Consul Marries---Vice Consul Soon to Marry

W. A. Adams, American Consul General in Hankow, was married in Yokohama recently to Miss Betty Eastman of Kansas City, Missouri. After spending their honeymoon at Miyanoshita, Mr. and Mrs. Adams have in the meantime proceeded to Hankow.

Mrs. Phyllis Chamberlin Duffill, society woman and Miss California of 1926, sailed from San Francisco Sept. 9 for Yokohama to wed Gregor C. Merrill, American vice-consul there. Mrs. Duffill is the daughter of W. R. Chamberlain, wealthy Californian shipper. She is the divorced wife of Albert Duffill, millionaire.

A New Treatment for Coughs and Colds

For Throat and Chest Troubles this Direct Inhalant Method Brings Speedy Relief

Coughs, colds, sore throat, bronchitis, asthma, and affections of the throat, windpipe and lungs generally, have usually been treated by remedies taken into the stomach. Other remedies have consisted of the inhalation of fumes from volatile liquids. Both these treatments have their value but each is itself is incomplete.

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In addition to this, Respiroids provide the indirect treatment by virtue of curative elements which are carried in the saliva into the stomach, though in a far more potent degree than any other cough remedy taken in this way. Respiroids are also an excellent preventative for throat and chest affections. In cold weather you should always keep a bottle handy. Obtainable from all chemists, price $1.00 per bottle. Or by post, $1.20, from The Dr. Williams Medicine Co., 451 Kiangse Road, Shanghai. (Product of The Dr. Williams Medicine Co., London, Toronto, Paris, New York, Singapore, Shanghai, etc.).

Chinese Government

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Men and Events

Julean Arnold, American Commercial Attache, departed for Peiping on Sept. 17 on a business trip.

James Marion, a banker of South Carolina, has been appointed United States minister to Siam.

The death occurred at Nanking Sept. 13 at the age of 53 of Major-General Kurt Link, German adviser to the Chinese army.

John V. Crowe, manager of the Shanghai branch of the Ford Motor Co., Ltd. has returned to Shanghai from a business trip to Manila.

The death occuried at Tsingtao Sept. 10 of S. K. Wong, manager of the branch of the Commercial Bank of China in that city.

Iyemasa Tokugawa, Japanese Minister to Canada, who has been in Tokyo on home leave, is making a tour of inspection in China and Manchuria.

M. Fayet, Director of Nice Observatory and a member of the Bureau des Lôngitudes de Paris, arrived in Shanghai by the French liner *Porthos* during the week. He will be for three months the guest of Siccawei Observatory.

Lin Sen, Chairman of the National Government, returned to Nanking from Shanghai Sept. 15. He was seen off by Mayor Wu Teh-chen and other high officials of the Shanghai Municipal Government.

The Ministry of Interior, in a recent communication to the Ministry of Education, requested that regulations governing the enforcement of compulsory education for novitiates for the Buddhist priesthood be drafted.

The China Merchants Steam Navigation Company has approached the Naval Ministry with a proposal for the charter of two naval vessels, the *Ching-an* and *Ke-an*, to be used as merchant-ships in coast-wise service.

A factory is soon to be etablished under the auspices of the Social Affairs Department of the Municipal Government of Greater Shanghai at Kaochingmiao, Kiangwan, to afford work for the poor.

T. C. Chao, chief secretary of the Shanghai office of the Ministry of Foreign Affairs and Miss Grace Chen were married in the Moore Memorial Church Sept. 14 by the Reverend Mr. King, of the Old North Gate Church.

The new Director of the Peiping Palace Museum, Ma Heng, desires to move all the Palace treasures, which were sent to Shanghai during the fighting around the Great Wall, back to Peiping in the near future for safekeeping.

Dmitri Bogomolov, Russian ambassador to China, returned to Shanghai end of last week after having gone to Nanking for a visit to Wang Ching-wei, president of the Executive Yuan, upon the latter's assumption of office as acting minister of foreign affairs.

The Canton Seamen's Union has issued a circular telegram stating that it will render assistance to merchants who have sustained losses as a result of the dispute between the Union and the China Navigation Company (Butterfield & Swire).

At the request of the financial organizations in Shanghai, the Finance Ministry has decided to order the Central Mint to make subsidiary coins for circulation on the market. The new coins are not to be subject to discounts, as is case with the "small money" now in circulation.

Dr. Rajchman, the liason officer of the League of Nations in China, is expected to arrive early next month on board the Italian liner *Conte Rosso*. It is stated that Dr. Rajchman will not stop in Shanghai but will proceed straight to Nanking to confer with the Government leaders there.

A memorial service for the late Wang Jung-pao, former Chinese Minister to Japan, who died in Peiping on July 18 of this year, is being prepared by his Japanese friends to be held in Tokyo, October 18. His family will proceed to Tokyo from Peiping to attend the memorial service, it is said.

Acting on instructions from the Nanking Foreign Office, the Chinese Post Office has placed a ban on *The Observer*, a recently inaugurated pro-Japanese journal, of which Edward Dunn, a local journalist is the editor. The matter came to a head when 10 copies of the paper were refused at the Rue du Consulat sub-office. When Mr. Dunn wrote to A. M. Chapelain, the Postal Commissioner, the latter replied that the ban had been imposed by the Foreign Office, to whom Mr. Dunn was referred for further information.

Archibald Rose, British member of the Council of the Institute of Pacific Relations which has been meeting in Banff, Canada, arrived in Japan last week and will arrive here shortly on his way back to England. Mr. Rose is a former consular and diplomatic official in China where he served for many years. He is now a director of the Chartered Bank of India, Australia and China.

The Sept. 8. issue of the *Manchuria Daily News*, the organ of the South Manchuria Railway, appeared with the principal article (whatever it was) with a running head across the full page and text at the top of two columns. entirely deleted. Evidently even in the official Japanese family there is a difference of opinion at times as to what is "fit" to print.

The latest news concerning Marshal Sun Chuang-fang, once one of the most powerful warlords in China in his capacity as Commander-in-Chief of the Allied forces of Kiangsu, Chekiang, Anhuei, Fukien and Kiangsi and who was defeated by General Chiang Kai-shek immediately after the collapse of Marshal Wu Pei-fu, is that he has decided to become a Buddhist priest.

Twelve industrial accidents, involving fourteen workers, were reported through Shanghai Municipal Police channels in August. Five fatalities occurred; nine persons were injured. Four of the five fatalities were associated with electrical apparatus, two out of the four deaths having been caused during operations on buildings under construction.

Mr. Shiratori, newly appointed Japanese Minister to Sweden, sailed from Yokohama, Sept. 15 for the United States. Taking advantage of his stay in America, which will be some 40 days, Mr. Shiratori stated in an interview in Yokohama that he hoped to meet prominent public men in principal towns of the United States to exchange views in regard to the siutation in the Far East.

The disappearance of funds contributed for Chinese Volunteers in Manchuria is still under investigation by the various public organizations interested in the affair. General Chen Yi, Vice-Minister of War, who has been ordered by the Government to inquire into the case, arrived in Shanghai Sept. 15, to get into touch with the Chinese Volunteers Relief Association. It is alleged that General Chu Ching-lan is involved in the case.

The Control Yuan at Nanking has brought up another impeachment against General Ku Chu-tung, Chairman of the Kiangsu Provincial Government, for having allegedly violated the spirit of the Five-Power Constitution and overstepped the bounds of his authority in attempting to shield his subordinate, Chao Chi-lu, Provincial Commissioner of Civil Affairs, who has been charged with alleged "bartering" of official posts and similar acts of corruption.

Mrs. Zosia Sutterle, wife of Frederick W. Sutterle, Sr., on August 7 filed an action in the U. S. Court for China for divorce. The divorce petition stated Mrs. Sutterle is a native of Jugo-Slavia and has resided in Shanghai for 13 years while Mr. Sutterle is an American citizen who has resided in Shanghai for 30 years. The couple were married in Chicago in August, 1922 but have not lived together since May 26, 1932.

William Gockson of the Wing On Textile Manufacturing Company was elected chairman of the board of directors of the Federation of Chinese Industries at a recent general meeting of the federation. Tsai Chin-san of the Mayar Silk Company, C. T. Nign of the Kwang Yu industrial Company, Yill C. Chien of the Marling Food Company, and Wong Yao-chen of the Fu Sin Flour Company, are his co-directors.

L. R. Schinazi, representative in Shanghai for the States Steamship Company, has resigned and is shortly returning to the United States. Mrs. Schinazi and their children are departing for Portland immediately and Mr. Schinazi will also proceed to Portland in about two months. It also is reported that the States Steamship Company has discontinued its local connection with the China Import and Export Lumber Company and shortly will open its own office in Shanghai.

Thomas F. Millard, advisor to the National Government of China, returned to Shanghai by the Dollar liner *President Cleveland*, Sept. 20. In an interview he said that during his time away from China he made eight crossings of the Atlantic. Part of the time he was in Washington—which was one of the several places he encountered T. V. Soong—part of the time in London, part of the time in Geneva. He spent six weeks in London during the economic conference. Mr. Millard is a veteran newspaper man. He founded the *China Press* and the *China Weekly Review*.

The first motor bus to make the run on the new Suiyuan-Sinkiang Highway arrived at Tihua, provincial capital of Sinkiang, Sept. 14, two days behind schedule.

Bent Bros. & Co., of Harbin have opened a branch of their ready-to-wear clothing business at 755 Bubbling Well Road, Shanghai.

General Chiang Tso-pin, Minister to Japan, told newspapermen at Nanking, Sept. 18 that he would return to Tokyo within three to five days.

A new military post known as the Garrison Commander of Kiangsu and Chekiang is to be established shortly. General Chu Pei-teh, Chief of the General Staff, has been mentioned as the most hopeful candidate for that post.

Marshal Chang Hsueh-liang arrived in Berlin Sept. 16 for a week's stay. He was received by Foreign Minister von Neurath in the presence of Chinese Minister to Berlin Liu Wen-tao.

The Ministry of Industry in a recent proposal to the Ministry of Finance, suggested the revision of the Customs Import and Export Tariff so as to protect domestic industries from foreign competition.

Miss Ruth Black, a former Shanghai American School pupil now living in the United States, represented American colleges at the Student International Union Conference held early this month at Geneva.

Tillman Durdin, Managing Editor of *The China Press*, who recently took a vacation trip to central and west China, became ill at Chengtu, Szechuen province, and is now confined to the West China Union University Hospital suffering from typhoid fever.

Regulations governing the issue of a $12 million loan for the construction of the Yushan-Pinghsiang light railway across Kiangsi province were adopted at a meeting of the Kiangsi Provincial Government at Nanchang Sept 18.

When interviewed by the Chinese press in Shanghai Sept. 15, Mr. Arino of the Japanese Legation denied that Mr. Ariyoshi, the Japanese Minister, is returning to Japan shortly. He said no such instructions had been received from the Tokyo Foreign Office.

Miss Janet McKay, administrative secretary of the Women's American Baptist Foreign Mission Society, is now visiting the mission stations in China in which her board has workers. She addressed the students of the University of Shanghai Sept. 16.

The opening tiffin meeting of the American University Club for the fall season was held at the Union Club, Tuesday, September 19. Dr. Jacob Gould Schurman, former American Minister to China spoke on "Recent changes in the American College."

The Ministry of the Navy has drawn up plans for the execution of a five-year construction plan which provides for the construction of four submarines, four destroyers and two cruisers, according to information from the said Ministry. It is estimated that $50,000,000 will be required to finance the project.

William J. Sebald recently joined the law firm in Japan of de Becker & de Becker as a partner. The firm is now known as de Becker, de Becker and Sebald. The new partner graduated from the United States Naval Academy at Annapolis, Maryland, in 1922, and is a member of the Maryland Bar.

The Nanking Municipal Kuomintang Office has submitted a petition to the Central Party Headquarters suggesting that the private property of government officials should be limited and that when one is found to be in possession of a huge fortune investigations should be made as to how he acquired that money.

General Wu Te-chen, Mayor of Greater Shanghai Municipality, was appointed concurrently as Acting Garrison Commander of Shanghai-Woosung Area at a meeting of the Executive Yuan at Nanking on Sept. 19. General Wu succeeds General Tai Chih, who has resigned and has been appointed Commissioner of Civil Affairs of Fukien Provincial Government.

The annual meeting of the Pan Pacific Association will be held on Monday, Sept. 25, at 12.15 p.m. at the Astor House Hotel, in Shanghai to celebrate Balboa Day. Dr. Jacob Gould Schurman, former American Minister to China, will speak and Mayor Wu Te-chen and the ranking consular representatives of the Pacific Countries will deliver special messages of greeting.

Langston Hughes, the American Negro poet and writer, who recently was in Shanghai and who was deported from Japan when he attempted to travel through that country on his way back to the United States, has a short fiction story in the September issue of the *American Mercury* entitled, "Cora Unashamed." However, the Japanese need not worry about it because the story is based in a small town of the United States and does not concern Japan. Hughes was deported from Japan because he interviewed Madame Sun Yat-sen while he was in Shanghai.

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THE PAN-PACIFIC CULTURAL ASSOCIATION
Has reprinted for general distribution in pamphlet form the treatice by the late B. H. Chamberlain, Emeritus Professor of Japanese and Philology at the Imperial University of Tokyo, entitled,
"THE CREATION OF A NEW RELIGION"
The pamphlet contains in its 10 pages a complete exposition and analysis of Shintoism and Empire-worship, regarding which the world is now beginning to hear so much along with the so-called doctrines of Pan-Asianism and Asiatic Monroe Doctrine.
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New Books of Interest in the Far East

America and the Economic Collapse

The Crisis of Capitalism in America. By M. J. Bonn. With an introduction by George S. Counts. Published by the John Day Company, New York. 1932. 232 pp.

Professor Bonn is one of the foremost economists of Germany, a member of the Gold Committee of the League of Nations, and an intermittent visitor to and keen observer of the United States of America. His book now under review is most worth while as showing the American impressions of a scholarly, observant, and objective visitor, and it has received the highest praise by some of the most competent writers and economists. No less a person than Harold J. Laski has declared the volume to be "the wisest book on America that has been published in many years," and added: "No one who knows America can doubt that it is on the verge of fundamental changes. The impact of world forces upon its habits will be greater and not less than in the past. No one since Tocqueville has written with greater insight than Professor Bonn of the directions through which that impact will be made."

Professor Bonn is not, as some might assume from the title, a Socialist or Communist in any way. In fact, his approach to economics is more orthodox than radical, and his outline of the actual development of the crisis lays far more stress upon the financial and stock-market aspect of it than some writers would consider necessary. He appears to believe, in fact, that the present crisis might be survived by the restoration of equilibrium between demand and supply "by means of falling prices and falling wages, by restriction of output, and by getting rid of inefficient enterprises. This end is achieved either by depreciation or by closing down... a cancellation of excessive capital. This very painful devaluation is the remedy by which capitalism restores order to economic chaos... In this it employs the method of expropriation by means of destruction of value or depreciation—the capitalist form of socialization, which is more radical, more ruthless and more sensible than the ordinary attempts at socialization." When this is done, and a new uniform (and low) price level develops, the crisis may be surmounted and economic life gradually resume again....Perhaps the author's very faith in capitalism's possibilities of survival give added weight to his apprehension that the system itself may be faced with destruction through its own ineptitude, by which, in the richest country in the world, with hitherto unparalleled means of great wealth production, millions are "reduced to beggary and to dependence on soup kitchens and casual words."

Professor Bonn's book was evidently written in 1931, though this is unfortunately not mentioned in the context, where the reader is left to guess as to the meaning of "now" and "the present" in connection with figures on the crisis. (It was translated from the German by Winifred Ray—quite competently—last year.) This, however, is of minor importance, as the situation has changed in no material aspect since the book was written, except that the crisis has become deeper, more intense, and more desperate, and that now—at long last,—the American Government is attempting some positive measures of relief. But the essential problem set forth by Professor Bonn remains,—though in much more pressing form.

The author deals not only with economic developments themselves, but with their social effects, and the situation before the crisis. He points out the fundamental change created by the vanishing of the free land of the American West, the fact that this is the first big crisis since this change took place, with its increased dependence upon a rapidly-developing industrialism which itself, now, is steadily approaching paralysis. The old possibility of the worker becoming a homesteader and landowner on the one hand, or a successful business man on the other, is checked by the passing of free land and the development of great-scale industry (as well as great-scale agriculture, chain stores, etc.). And the American worker is faced with a quite unprecedented situation,—utter destitution, and at a time when he had become converted to the doctrine of permanent prosperity and a worship of "captains of industry."

The American worker's traditions are individualistic rather than Socialistic, but there are elements in his psychology which, Professor Bonn points out, may easily furnish the basis for a powerful movement to end capitalism. There is the pioneer tradition of violence, inherited from ancestors who took the land forcibly from the original possessors, carried on through the militant syndicalism of the American West, and exemplified in recent years both in the naive belief of the Prohibitionist in reforming personal habits by widespread coercion, and in the lawlessness of the common people who declined to obey the Prohibition law ond protected gunmen and gangsters who grew up under cover of bootlegging. The old "inner lawlessness has persisted. It is reflected at the present day in the resistance to prohibition legislation and in the gang-system practiced in the big cities, just as it was a short time ago in the renewed outbreaks of the Ku Klux Klan organization, which aimed at reaffirming the sovereignty of the white population over the negroes. The most important difference between these various phenomena consists in the fact that the Ku Klux Klan movement has been supported mainly by native Americans whose families have long been settled in the country, while the crimes of the gangsters in the big cities prove how rapidly unbridled Americanism infects those who are only recent immigrants."

Besides the tradition of violence, and contempt for law, there is the worship of change itself, of new things, of "progress." The European frequently tries to shape the future in accordance with his ideas of the past. The American, in practical matters, "invariably lays stress on the right of the new, just because it is new and untried. For this reason he consistently upholds the claims of youth and places youth in positions of responsibiilty." At the present time the fact of economic expansion and industrial development in Soviet Russia, in contrast to the economic breakdown in the United States, has greatly impressed American thought. Furthermore, there is no country where mass production of standardized goods has so "communized" consumption. "Clothing, food, housing, amusements are supplied to the mass of the American population by a perpetual, continually recurring process of serial manufacture. It has been possible to cheapen this all-round democratic satisfaction of the requirements of all classes only by sacrificing every personal taste. This monotonous ministration to mass requirements.. foreshadows that standardization upon which alone a communistic plan economy can be built up... Not only has communism in this respect learnt everything from capitalism, in particular from American capitalism: the American consumer has long since been instructed in the elements of communism. So far as the masses are concerned, their requirements have already been so simplified and sifted and standardized by capitalism, that without any painful transformation they could be made the basis of a communist plan of economic distribution, provided that the efficiency of the latter were equal to that of the capitalist order."

Professor Bonn does not believe that capitalism is necessarily doomed. If it is to survive, however, drastic measures are required. Among other things, American provincialism must end. "A country which wants to play the role of the world's banker must be influenced by conceptions of world economy, and not by regional considerations." But "the government of the United States has to reckon with a public opinion which has not yet fully grasped the meaning of the economic development of the last ten years, nor yet the meaning of the crisis of last year. The American public does not yet realize that America has become the first economic power in the world, and that she has unbreakable international ties... The mechanism of world economy has in the last ten years been expanded to an uncanny degree: it has become more and more intricate. America is today an inseparable part of it. The economic thought of the mass of the American people still works on provincial lines. It is just as narrowly provincial as the thought of the European nations."

Will America turn to State Socialism, or to a recognition of itself as a most vital part of the capitalist world? "It may be doubted whether the sense of responsibility for the economic welfare of the world, which the crisis will ultimately instil into the American people, will be kindled rapidly enough to expedite its conclusion." But the alternative? "Politicians are beginning to put their ears to the ground to listen to the first rumblings of a mighty convulsion. They know that the American political temperament is very much like the American climate, subject to sudden violent change."

Certainly there is a most marked change from Hoover's "rugged American individualism" to the State control of the economic system which Roosevelt is now endeavoring to enforce. Are still greater changes in store?

H. H.

The Development of City Life in the U.S.A.

The Rise of the City. 1878—1898. By Arthur Meier Schlesinger. A History of American Life. Volume X. MacMillan's, New York. $4.00 (U.S.).

This history of American life is a series of volumes by different authors, as indicated by the fact that this is Volume X. Other phases already treated are, "The Coming of the White Man", by Herbert J. Priestley, "The First Americans", by Thomas J. Wertenbaker, "Provincial Society", by James Truslow Adams, "The Rise of the Common Man", by Carl Russell Fish, and "The Emergence of Modern America" by Allan Nevins. The names of the authors will indicate that the series is written by men who are not only eminently fitted to deal with the social, economic and intellectual sides of some particular period of America's history, but that they are literary craftsmen as well. This perhaps explains why the new series is regarded as establishing a new standard of excellency in the writing of history, because they have "put flesh and blood on the bare bones of historical fact".

This particular volume on "The Rise of the City" is by Dr. Arthur M. Schlesinger, Professor of History in Harvard University, who, with Dixon Ryan Fox, is responsible for the whole series. Dr. Schlesinger has taken a hitherto neglected period and given it an interest and a significance which will make the reader realize its importance in any complete study of American history. He not only makes this period of 1878 to 1898 live again, but he makes it meaningful. As his collaborator expresses it in the Foreword,

> "The United States in the eighties and nineties was trembling between two worlds, one rural and agricultural, the other urban and industrial. In this span of years the fateful decision was made. Traditional America gave way to a new America, one more akin to Western Europe than to its own former self, yet retaining the authentic New World quality. The author recognizes that Americans formed a part of the larger human family and had behind them the general history of mankind; their achievements, therefore, are measured by world standards—a procedure rare among American historians. Such writers, too, gazing eastward toward the Altantic Seaboard, have been accustomed to emphasize the long-time influence of the frontier upon American civilization and the disastrous effects of the passing of free fertile lands. The present volume is devoted, rather, to describing and appraising the new social force which waxed and throve while driving the pioneer culture before it: the city."

The author deals with the new South, which began to sense its growing problem of educating the Negro and the poor white, and treating them like full-fledged human beings rather than cheap labor to be exploited. The industrialization of the South took place also during this period. The Great West was undergoing vast changes also, as free land with all its accompaniment of glamor and romance gave way to the less spectacular rewards of prosaic toil. The author shows how people began to migrate to the urban centers as they had once flocked to the uninhabited wilderness. How the influences of town and city affected education, women's status, the church, letters and art and science are protrayed in a style of interest and literary excellence.

G. T. F.

READERS of *The China Weekly Review* who may be interested in obtaining copies of any books which have been reviewed in these columns, may obtain them by sending their orders in care of *The Review*....If obtainable in Shanghai the books will be mailed immediately at retail prices prevailing in Shanghai, plus postage, or if not obtainable here, they will be ordered from the publishers abroad. Send orders or inquiries to Book Editor, *The China Weekly Review*, 38 Avenue Edward VII, Shanghai.

LATEST INFORMATION

If you are interested in China you must be interested in the latest developments in the following fields:

		In China (Chinese Currency)	Abroad (U.S. Currency)
1.	China's Diplomatic Relations (1931-1932: A Survey) .... By Minchen T. Z. Tyau	.90	$ –.50 cts.
2.	China's Industrial Development: Its Problems and Prospect .... By C. L. Nieh........	.90	„ –.50
3.	Chinese Government Economic Planning and Reconstruction since 1927 .... By Gideon Chen......	.90	„ –.50
4.	The Distribution of Population and Land Utilization in China... By W. H. Wong	.90	„ –.50
5.	The Position of China as a Producer of Raw Materials and a Consumer of Manufactured Products .... By Djang Siao-mei ...	.90	„ –.50
6.	The Present Agrarian Problem in China .... By Chen Han–seng ..	.90	„ –.50
7.	Rural Industries in China .... By H. D. Fong	.90	„ –.50
8.	Facing Labor Issues in China .... By C. H. Lowe	$2.70	„ 1.25
9.	Shanghai Industrialization: Report based on investigations of China Institute of Economic and Statistical Research, National Government Directorate General of Budgets, Ministry of Industries, National Tariff Commission, Shanghai Bureau of Social Affairs and Chaotung University, by D. K. Lieu	$1.15	„ –.60
10.	Silk Reeling Industry in Shanghai: Based on extensive survey by the China Institute of Economic and Statistical Research, made from May to July, 1931, supplemented by second survey during the same months of 1932, covers quality of silk produced, productive capacity of filiatures, number of reels, etc., by D. K. Lieu	$2.15	„ –.95

These pamphlets ranging from 12 to 200 pages were written by Chinese specialists in their respective lines. They were prepared for presentation at the Conference of the Institute of Pacific Relations at Banff, Canada. Those desiring copies, should send their orders with draft or postal money-order attached to the undersigned.

THE CHINA WEEKLY REVIEW

38 Avenue Edward VII

Shanghai.

Chinese Mourn, Japanese Celebrate Mukden Capture Anniversary

The second anniversary of the occupation by the Japanese of Mukden on September 18 was observed as a day of national humiliation throughout China. Memorial services were held and a five-minute silence was observed at 11 o'clock in the morning, in all parts of the country.

The first anniversary of the signing of the Japan-Manchukuo protocol was commemorated at Changchun Sept. 15. A memorial service on a large scale for soldiers who gave up their lives for the independence of Manchukuo was one of the features of the celebration. Another memorial service was also held on September 18, which (in the words of *Rengo*) was held to "once again recall the bravery of Japanese soldiers who made sacrificing efforts that the new state of Manchukuo might live."

China Observes Anniversary with Solemnity

Messages from provincial capitals of the leading cities throughout China indicated that the anniversary of the fall of Mukden was observed everywhere with due solemnity. The day, however, passed without untoward incidents either in the capital, or at Shanghai, or elsewhere.

Government leaders, including Wang Ching-wei, and all Cabinet members held a solemn meeting at Central Party headquarters to commemorate the second anniversary of the Japanese capture of Mukden. Wu Chih-huei, veteran Party leader who was the principal speaker at the meeting, described the "Mukden incident" as "the humiliation of all national humiliations." Scrolls which were suspended along the front of the auditorium read, "Do not forget September 18, 1931," "Rouse the people to pacify the internal situation, to resist foreign aggrandisement, to strengthen our national strength in order to obliterate mortifying humiliation and to redress a deep grievance."

Sirens and whistles throughout Canton sounded and airplanes dropped pamphlets during the ceremony held there to commemorate the day. A mammoth meeting and parade failed to materialize, however, owing to official ban. The day was observed as a day of mourning, but no holiday was declared.

Japanese Goods Burned at Nanking

Mass meetings, the public burning of seized Japanese goods, and vigorous press editorials were features of the commemoration of the second anniversary of the Mukden incident at Nanking. A huge mass meeting, held under the auspices of the Nanking city Kuomintang, took place in the morning at nine o'clock at the National Theater, when representatives of various public bodies participated.

⁂

How the Japanese Celebrated Fall of Mukden

Various official and private functions took place throughout Japan on September 18, on the occasion of the second anniversary of the occupation of Mukden by Japan. The Ex-Service Men's Association held a memorial meeting in Tokyo, which was preceded by a grand meeting for the consolation of 7,000 men, women and children, who are the families of the victims who fell in the Manchurian field.

Mr. Hirota, newly appointed Foreign Minister, stated in Tokyo on the occasion of the second anniversary of the occupation by the Japanese of Mukden that the world excitement on the Manchurian incident had already passed and if the world had had a half of the coolness two years ago that is held at present, it might not have experienced such meanderings and complications on the question of Manchuria. As regards the world opposition to the establishment of Manchukuo, the Foreign Minister said it is absurd that the world should feel that "the maintenance of *status quo* is the highest international justice." In the establishment of Manchukuo could be seen, he said, the origin of the movement of regeneration of the whole of Asia. "The existence of Manchukuo, "he added, "does not in the least constitute a ditch but, on the contrary, it is the bridge leading Japan and China to a closer connection towards the common aim of establishing a permanent solidity of Asia."

Premier Saito Praises Wang-tao Administration

Premier Saito made a statement at the same time, among other things saying:—"On the occasion of the second anniversary of the Manchurian incident, I am happy to see the gradual solidity the foundation of Manchukuo, where the thirty million people are assidously working for their respective callings under the Wang-tao administration. It is highly gratifying to see the smooth and rapid progress of Manchukuo, and it is my earnest hope that the whole nation of Japan will extend their further assistance to the people of Manchukuo, so as to enable a solid cooperation between the two countries and secure a permanent peace of the Orient."

In an interview in Tokyo Mr. Hirota said:—"No misapprehension is more groundless than the opinion advanced by some that Manchukuo, with 120,000 square kilometres of land with a population of 30,000,000 people, was created by a plot or as the result of an external aggression. If China comes to realise the truth that lay behind the necessitated independence of Manchukuo, he said Japan would always be ready to talk things over with her and co-operate with her.

Huge Celebration at Shanhaikwan

The hoisting of the Manchukuo flag, the unveiling of Henry Pu Yi's photograph, and the dropping of paper flags and propaganda by a Japanese airplane were the principal features of the celebration Sept 15 in Shanhaikuan of the first anniversary of the recognition of Manchoukuo by Japan. The entire populace turned out for the occasion, schools were closed and the streets were lined with small flags of every description. In the midst of this gala scene two Manchukuo banners flew high over the station, while residents also hoisted the emblem. The event of prime importance, however, was a ceremony held at the residence of General Hirata—stated by the Japanese to be "for the purpose of fostering peace and good-will between the two nations."

Soldiers marched past the central street of Mukden in observance of the anniversary, while a memorial service for the war dead was observed on a large scale with the attendance of leading officials of both Manchukuo and Japan.

Chinese Press Comments

Recalling the series of "incidents" that have occurred during the past two years, the *Sin Wen Pao* caustically remarked that it is useless to perpetuate the memory of September 18 as a day of national humiliation. For if the aim of recovering the lost territories were realized, then the day would no longer be a day of national humiliation for the Chinese. If, on the other hand, mere memorial services are held with no definite measures adopted to attain the aim, then no amount of oratory would be of any real assistance to China.

The *Shun Pao* after recalling the Japanese aggressions against China during the past two years, stated that Japan is now trying to attain her ultimate aim of conquest by diplomatic coercion against the Chinese Government, just as she has been using military force in oppressing China during the past two years.

The *Min Pao* states that unless steps are taken to consolidate the vitality of the nation, there will be no end to the days of national humiliation for China. It therefore urged that appropriate measures be devised and adopted by the people under the direction of the Government.

The *Chen Pao* urged the Government to pursue a policy of self-preservation and independence. It suggested that in order to overcome the crisis the Government should further endeavor to consolidate the vitality of the nation and at the same time institute reforms in the military and administrative systems.

United Theaters Directors Ask to Have Receiver Appointed

Petition for appointment of a receiver to manage, operate and control the Grand, Carlton and Cathay Theaters, comprising the United Theaters group, has been filed by a majority of the stockholders in the United States Court for China. The action was filed by Messrs. C. R. Burkill, T. G. Weall, and R. K. Butler, British subjects, and Grant Mark, American. Other stockholders are B. Monteith-Webb, Lo Kan and Lo Leong Hoo.

The petition stated that dissensions and differences of opinion between the majority stockholders and Lo Kan, managing director and largest individual stockholder, make it impossible to successfully operate the theater chain and pay its debts and expenses. Numerous liens and suits have been filed against the Grand Theater and Grant Mark, president of the board of directors, by creditors. Another suit filed against the United Theaters by Andersen, Meyer and Company seeks payment of past due installments amounting to $142,078.69 for work done on the Grand Theater. A mechanics' lien for $144,511.35 and U.S.$166.97 was also filed by the same company.

Former Centrosojus Employee Turns Tables on Prosecutors

N. Morrison, a Soviet citizen formerly employed by the Centrosojus (England) who was unsuccessfully prosecuted a month on so ago for embezzlement from his former employers, during the week commenced a prosecution in the Shanghai First Special District Court against M. Markoff, manager of the local Centrosojus office, and five of his employees, namely Mr. Wakimenko, Mrs. Moiseev, J.N. Babich, V. Krasovsky and Mrs. Bikova.

The case came up for hearing before Judge Shih. It was adjourned until Thursday, September 28. Franklin Chu, who appeared for Morrison, stated that the six employees of the Soviet organization headed by their manager must be punished for falsely accusing his client of misappropriation, of which he had been acquitted in said court. He pointed out that J.N. Babich and Mrs. Bikova had once illegally detained Mrs. Morrison in the latter's house on Kiangse Road by locking her up in the bathroom. A further charge was that Wakimenko and Mrs. Moiseeva had robbed Morrison of U.S. $10,000 and £700. They had given him receipts for the amounts, but had never returned the money.

Simultaneously with this case, Moscow *Pravda*, naming "White Guardist Morrison" and one Kedrolivansky, published an accussion that these men intended to stage "a political campaign trial against Centrosojus by falsely and slanderously representing this commercial organization as a political center of the Communist movement in China." "These efforts to discredit the business prestige of the Shanghai branch of the Centrosojus," said *Pravda*, "will not meet with the support of the Chinese commercial circles, because the Centrosojus, being connected with the Chinese market for over ten years, has gained already the firm confidence of the business community."

China May Establish Tobacco and Match Monopoly?

Chen Kung-po, Minister of Industry, stated in an interview during the week that he had suggested the establishment of a State monopoly on the sale of tobacco and matches, but that the matter rested with the Ministry of Finance. He estimated that such a monopoly would raise $100,000,000 annually.

A Canard's Origin

(*North-China Daily News, September 14*)

Japanese semi-official reports that A. H. F. Edwardes had been appointed to represent Lancashire cotton interests in the Far East caused considerable surprise in Manchester whither they were conveyed privately by apparently perturbed correspondents from Shanghai, according to the *Manchester Guardian*. That journal's diarist gives an explanation of the origin of these rumors while forcibly reiterating previous denials of their accuracy:

> The statement that Mr. Edwardes has been appointed to represent Lancashire cotton interests in the Far East is certainly not true. I have authority for saying that he has not been commissioned in any way to represent Lancashire interests. What probably gave rise to the story is the fact that before leaving England to take up his appointment as "adviser" to the Manchukuo Government Mr. Edwardes paid a private visit to a friend of his who is a leading figure in the Lancashire cotton trade, and met some other prominent Manchester men at the same time. But there has never been any question of his acting for the cotton trade officially.

Shanghai, of course, has never been in doubt on the subject. It realised that Mr. Edwardes would be no more *persona grata* to Manchester than to the British Foreign Office in his capacity as a servant of the Manchukuo administration.

Real Estate Review Beyond the Western District, by the Realty Investment Company

There has been a good deal of trading in this district during the past month and prices have been steadily rising—in some cases, due to the sellers' anticipation of a boom, out of all seemingly reasonable proportion. This area is undoubtedly still the most active and good pieces of land with road frontage are instantly snapped up, in fact the demand is so great and prices are changing so rapidly that it is advisable to close a purchase by paying immediate bargain money before it can be offered elsewhere, if one is set upon obtaining that particular parcel of land.

The big area recently purchased by the Realty Investment Company at the corner of Chung Shan and Hungjao Roads is practically all sold. A most important and necessary piece of road widening has taken place just adjoining the above mentioned property and when it is open to traffic it will afford a very welcome relief to drivers on this narrow road, especially at night.

Backward Children Often Have Worms

Many children suffer from worms for a long time before parents suspect this common cause of malnutrition and retarded growth.

Babies and young children who are not putting on the normal amount of weight often derive the most gratifying benefits from a few doses of Baby's Own Tablets. Countless cases are on record in which the first dose of Baby's Own Tablets has expelled worms and thereafter the little one's progress has been rapid.

Baby's Own Tablets have a wide application in children's ailments. They were designed specifically for this purpose by a doctor specialising in children's ailments who realised the necessity for a handy, all-round health-corrective which parents could use with complete confidence. The tablets are gently laxative, cleanse the whole of the food tract and have the added advantage of being pleasant in taste and appearance. For children's and babies' stomach and bowel troubles, indigestion, constipation, flatulence, croup, colic, convulsions, feverishness, colds, worms, diarrhoea, "Baby's Own" are rapidly curative. During teething they are a real godsend, easing pain and thus enabling baby to sleep. Guaranteed to contain no opiates or harmful drugs Baby's Own Tablets are absolutely safe and harmless. Remember—it's a doctor's prescription—proved eminently successful. The most exacting parents use Baby's Own Tablets with complete confidence.

In the United States Court for China

SANFORD N. YOUNG,
Plaintiff.
vs.
CLARA J. YOUNG,
Defendant.

Cause No. 3566
S. P. No. 1618
ORDER
Filed at Shanghai, China
Sept. 11th, 1933
William T. Collins, Clerk
L. T. Kenake, Asst. Clerk.

The object of this suit is an action for Divorce

WHEREAS, plaintiff herein, by his attorneys, has this 11th day of September, 1933, made application for the substitution of publication for personal service upon the defendant herein; and

WHEREAS, it appears from the files in this case that on the 11th day of September, 1933, the summons for defendant was returned by the United States Marshal for China with the following noted thereon: "Defendant cannot be found within the jurisdiction of this Court"; and

WHEREAS, it appears from the files in this case that on the 11th day of September, 1933, the plaintiff herein filed an affidavit to the effect that the defendant does not now reside in China nor has she resided therein at any time, and that defendant's last known address was 34 Jackson Street, Clinton, South Carolina, U. S. A.

NOW, THEREFORE, it is this 11th day of September, 1933, ORDERED that service upon the defendant be made by publication once a week for three consecutive weeks in the "CHINA WEEKLY REVIEW" a paper of general circulation most likely to reach the defendant.

IT IS FURTHER ORDERED that the defendant cause her appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occurring after the 30th day of September, 1933, the day of last publication of this Order; otherwise the case will be proceeded with as in case of default.

BY THE COURT:
Dated at Shanghai, China,
this 11th day of September, 1933.

MILTON D. PURDY,
Judge.

In the United States Court for China

In re.
Estate
of
MIGUEL MORALES
Deceased

Cause No. 3565

Special Proceedings No. 924

NOTICE

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of MIGUEL MORALES, deceased, to present the same with vouchers to the undersigned on or before March 16th, 1934, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

Shanghai, China, September 11th, 1933.

CHAUNCEY P. HOLCOMB,
Administrator,
12 Kiukiang Road,
Shanghai.

A.B.C. PRESS, SHANGHAI
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in all its Branches

Your work
should bear
our imprint

ONLY A FEW COPIES LEFT

The *Review* still has on hand a few copies of the following books dealing with Pacific and Far Eastern Affairs:

"Problems of the Pacific" by Bruno Lasker; standard book of reference for those interested in the complicated affairs of the Far East ....Price M.$15.00

"Symposium on Chinese Culture," by Sophia Chen Zen ....Price M.$ 7.50

"Essays on the Manchurian Problem," by Shuhsi Hsu ....Price M.$ 7.50

Add 25-cts. for postage in China or $1.40 if to be mailed abroad.

THE CHINA WEEKLY REVIEW
38 Avenue Edward VII
Shanghai

The National City Bank of New York, Rates of Exchange

Shanghai, Sept. 20, 1933.

Demand selling rate on America:	U.S. $100=Sh. $323.23
Demand buying rate on America:	U.S.$100=Sh. $319.36
Demand selling rate on London:	£1.0.0=Sh. $ 15.54
Demand buying rate on London:	£1.0.0=Sh. $ 15.36

Latest New York Stock Exchange Quotations

Market—Steady Business Done 2,820,000 Shares

September 20, 1933

1932-3 High	Low	Div.$ per Sh.	STOCKS	Mon. Sept. 18	Tue. Sept. 19
18¼	1⅝	—	Adams Express	10¼	10
32	7⅜	.60	Alaska Juneau	30⅝	30½
142¾	42½	6.00	Allied Chemical & Dye	142	142
97½	29⅝	4.00	American Can	97⅜	97
19⅝	2	—	American & Foreign Power	12⅜	11⅞
44⅞	5	—	American & Foreign Power 7% Pfd.	25	24
12⅛	1⅛	—	American & Foreign Power Warr.	8¾	7½
23⅝	1¼	—	American Metal Co.	21¾	22¾
49¼	5⅛	—	American Smelting	49¼	58½
137¾	69¾	9.00	American Telephone & Telegraph	128½	128½
94¾	44	5.00	American Tobacco "B"	90⅛	91
43¼	11	1.00	American Waterworks	25¼	24¾
22⅞	3	—	Anaconda Copper	18½	19⅜
18⅝	4¼	—	Atlas Corporation	13⅝	13⅛
151¾	28¾	2.00	Auburn Automobiles	59⅝	60
37⅞	3¾	—	Baltimore & Ohio	33½	33⅝
49¼	7¼	—	Bethlehem Steel	38¾	38½
43⅛	19	1.60	Borden Company	25½	25⅞
21⅝	3⅜	—	Borg Warner	18½	18
20⅞	7¼	—	Canadian Pacific Railway	15⅞	16
103½	16¾	—	Case, J. I.	80	81
47⅞	19	1.40	Chase National Bank	23⅝	23⅝
52⅛	4⅞	2.00	Chesapeake Corp.	43¼	43¼
51⅜	5	.50	Chrysler Corp.	50⅜	50
28⅛	4¼	.80	Columbia Gas & Electric	15½	15
7⅝	1⅜	—	Commonwealth & Southern	2½	2⅛
68¾	31½	3.40	Consolidated Gas of N. Y.	43⅜	42⅜
19½	8⅝	—	Continental Oil	19¼	19¼
90½	24¾	3.00	Corn Products	88¼	89½
7½	1½	—	Coty Inc.	5⅜	5¼
4⅜	⅞	—	Curtiss Wright Company	3	3
18⅝	5	.75	Douglas Aircraft	16¼	16½
68½	28	3.00	Drug Incorporated	49¼	48⅛
85¾	22	2.00	Du Pont de Nemours	81¾	82½
89¾	35¼	3.00	Eastman Kodak	85½	85¾
48	5	6%S	Electric Bond & Share	20⅜	19⅛
16	2¾	—	Electric Power & Light	7⅝	7
		—	Fox Film	19	17
10¾	2⅞	—	General Aviation	8¼	8
30½	8½	.40	General Electric	23¼	23¼
40½	19¾	1.80	General Foods	39¼	38⅝
34⅞	7⅝	1.00	General Motors	34¼	34⅜
49½	6⅛	1.00	General Railway Signal	40	40½
27⅜	8¼	•.20	Gold Dust	22¼	22
47½	5½	—	Goodyear Tire & Rubber	39⅝	40
40	3⅝	—	International Cement	34	32⅞
46	10⅝	.60	International Harvester	42	43⅜
22	3½	—	International Nickel	21⅞	22⅜
21¾	2⅝	—	International Telephone & Telegraph	15⅞	15½
60⅜	10	—	Johns Manville	57	56¼
25⅞	4⅞	—	Kennecott	24½	26
79⅜	30½	2.40	Lehman Corporation	73½	75
99	34½	•4.00	Liggett & Myers, "B"	97½	97½
37¾	8½	1.00	Loew's: Inc.	34½	34⅝
25¼	9	1.20	Lorillard P. Co. (Com.)	22⅝	23½
45¼	12	1.00	McIntyro Porcupine	45¼	45⅜
28⅞	3½	—	Montgomery Ward	25½	25½
64½	19¾	1.00	National City Bank (bid price)	24⅜	25
124⅞	13	—	National Distillers	107½	106¾
58½	8¾	—	New York Central	47⅝	48
43¼	13¾	8%S	North American Company	19¾	19¼
96¾	12	2.00	Owens Illinois Glass	83	83
37	16⅞	2.00	Pacific Gas & Electric	21¼	20⅞
6⅞	1½	—	Packard Motors	4¾	4½
42¼	6½	.50	Pennsylvania Railroad	36½	35⅝
6⅛	1	—	Pennroad Corporation	3⅜	3¼
18¼	2	—	Phillips Petroleum	18¼	18¼
13½	2½	—	Radio Corporation	8⅞	8⅞
7¾	1	—	Radio-Keith Orpheum	3½	3¼
54	26½	3.00	Reynolds Tobacco "B"	52¼	52½
47	9⅞	—	Sears Roebuck	45¼	45¼
11⅝	2½	—	Shell Union	9¼	9⅝
15½	5¼	—	Socony-Vacuum Corp	13⅞	14
32¾	15¾	2.00	Southern California Edison	19	18⅞
34¼	5⅛	—	Standard Gas & Electric	12⅛	11¾
43⅛	19⅞	1.00	Standard Oil Co., of N. Jersey	43⅛	43⅝
29¾	9¼	1.00	Texas Corporation	29¾	29⅜
36	12	1.00	Texas Gulf Sulphur	36	41
9½	2⅛	—	Trans America	7	7
51⅞	15½	1.00	Union Carbide & Carbon	48⅛	49
132	27⅝	6.00	Union Pacific	120	122¼
46⅞	6½	—	United Aircraft & Trans.	37¾	37½
14½	3½	—	United Corporation	6¾	6½
25	9¼	1.20	United Gas Improvement	16⅜	16¼
25	1¼	—	U. S. Rubber	18⅜	18
67½	21¼	—	U. S. Steel	52⅞	52⅝
51½	11	•2.00	Universal Leaf Tobacco	43⅝	43¾
36¼	5¼	—	Vanadium	25¾	26½
8⅞	½	—	Warner Bros. Pictures	8¾	8½
58¾	15⅝	—	Westinghouse E. & M.	44½	44⅞
50⅞	22	2.40	Woolworth	40	40⅛
•Plus Extras			Call Money	¾%	¾%

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All applications and inquiries should be addressed to the Director at 1954 Avenue Haig, Shanghai.

CUSTOMS NOTIFICATION NO. 1318

The public is hereby notified that a set of regulations for the control of towed vessels (拖駁船管理章程) has been issued by the Government providing (1) that every vessel used as a tow is to apply to the Ministry of Communications either direct or through a local Navigation Bureau for registration and issue of a Permit to be Towed (拖駁船執照), (2) that, with the exception of those vessels used as tows which have already obtained, before the promulgation of the regulations, Certificates of Nationality, and which are to be allowed temporarily to be cleared by the Customs on production of such Certificates, no towed vessels are to be cleared by the Customs without production of a Permit to be Towed issued by the Ministry of Communications, (3) that the measurement and inspection of such vessels will be undertaken by the local Navigation Bureaux of the Ministry of Communications.

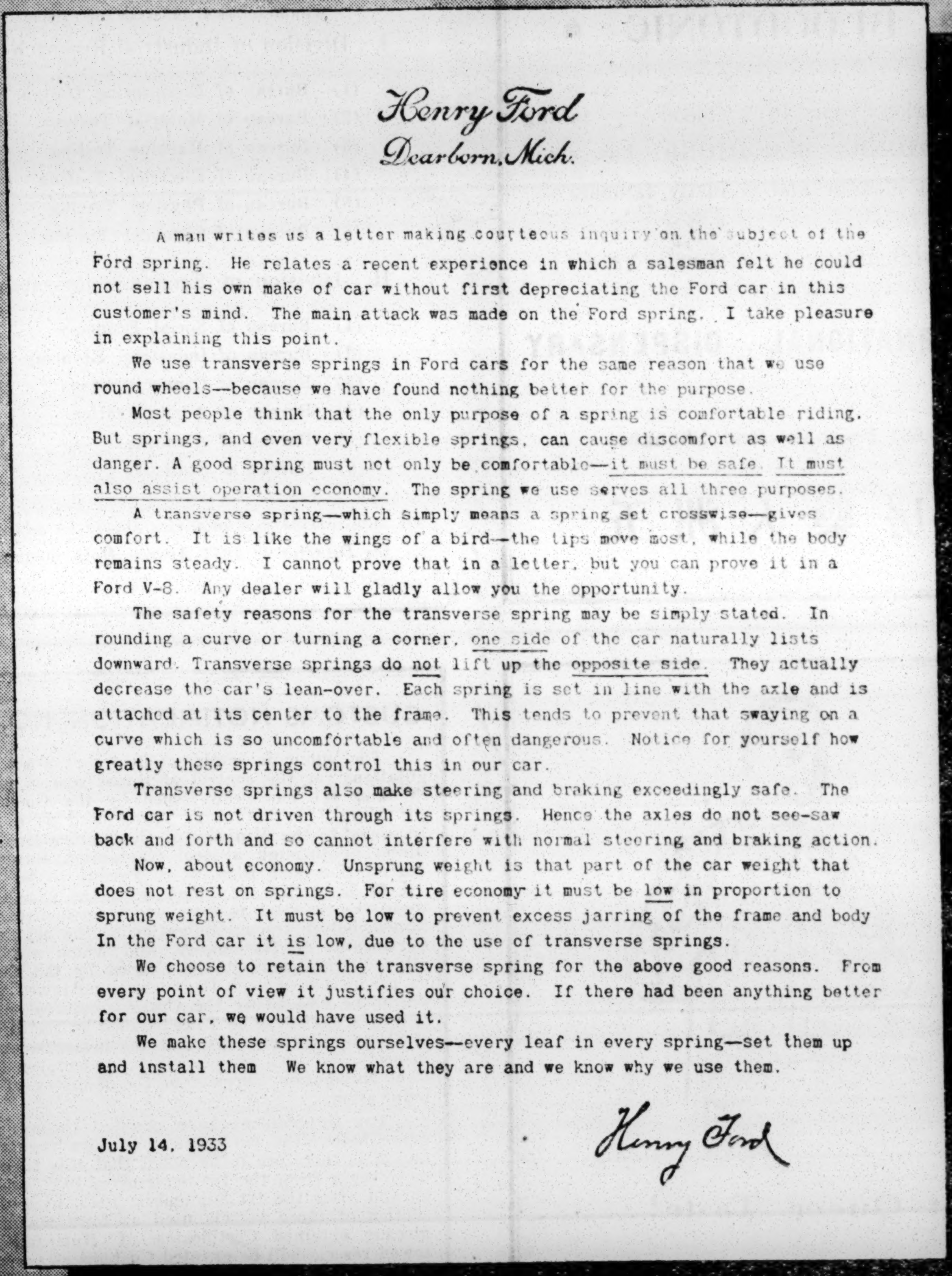
The Government have granted three months' grace before the enforcement of thes regulations; and it is therefore to be noted that this time limit is to begin from the 1st September, 1933, and that on and after the 1st September, 1933, with the exception of those vessels used as tows which have already obtained Certificates of Nationality, no towed vessels will be granted Customs clearance unless Chiao-t'ung Pu's Permit to be Towed is produced.

H. O. Tong,
Superintendent of Customs.
A. C. E. Braud,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 15th September, 1933.

Why we use Transverse Springs in Ford Cars

V-8
Ford
4



Henry Ford
Dearborn, Mich.

A man writes us a letter making courteous inquiry on the subject of the Ford spring. He relates a recent experience in which a salesman felt he could not sell his own make of car without first depreciating the Ford car in this customer's mind. The main attack was made on the Ford spring. I take pleasure in explaining this point.

We use transverse springs in Ford cars for the same reason that we use round wheels—because we have found nothing better for the purpose.

Most people think that the only purpose of a spring is comfortable riding. But springs, and even very flexible springs, can cause discomfort as well as danger. A good spring must not only be comfortable—it must be safe. It must also assist operation economy. The spring we use serves all three purposes.

A transverse spring—which simply means a spring set crosswise—gives comfort. It is like the wings of a bird—the tips move most, while the body remains steady. I cannot prove that in a letter, but you can prove it in a Ford V-8. Any dealer will gladly allow you the opportunity.

The safety reasons for the transverse spring may be simply stated. In rounding a curve or turning a corner, one side of the car naturally lists downward. Transverse springs do not lift up the opposite side. They actually decrease the car's lean-over. Each spring is set in line with the axle and is attached at its center to the frame. This tends to prevent that swaying on a curve which is so uncomfortable and often dangerous. Notice for yourself how greatly these springs control this in our car.

Transverse springs also make steering and braking exceedingly safe. The Ford car is not driven through its springs. Hence the axles do not see-saw back and forth and so cannot interfere with normal steering and braking action.

Now, about economy. Unsprung weight is that part of the car weight that does not rest on springs. For tire economy it must be low in proportion to sprung weight. It must be low to prevent excess jarring of the frame and body In the Ford car it is low, due to the use of transverse springs.

We choose to retain the transverse spring for the above good reasons. From every point of view it justifies our choice. If there had been anything better for our car, we would have used it.

We make these springs ourselves—every leaf in every spring—set them up and install them We know what they are and we know why we use them.

July 14, 1933

Henry Ford

中華郵政特准掛號認爲新聞紙類

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